

Company registration number 03918227 (England and Wales)

CSOLS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023
PAGES FOR FILING WITH REGISTRAR

CSOLS LIMITED

COMPANY INFORMATION

Directors	Dr P J Goddard K C Jones
Secretaries	A E Goddard Oakwood Corporate Secretary Limited
Company number	03918227
Registered office	The Heath Business & Technical Park Runcorn Cheshire United Kingdom WA7 4QX
Accountants	Azets Ship Canal House 98 King Street Manchester M2 4WU

CSOLS LIMITED

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CSOLS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2023

	2023 £	2022 £
Turnover	1,363,962	1,267,321
Cost of sales	(464,518)	(505,137)
Gross profit	899,444	762,184
Administrative expenses	(710,654)	(601,586)
Other operating income	-	160
Operating profit	188,790	160,758
Interest payable and similar expenses	(81,043)	(46,240)
Profit before taxation	107,747	114,518
Tax on profit	(3,298)	277,189
Profit for the financial year	104,449	391,707

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CSOLS LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		1,149,531		948,575
Tangible assets	5		17,303		2,686
Investments	6		92		92
			<u>1,166,926</u>		<u>951,353</u>
Current assets					
Debtors	7	2,394,376		1,975,690	
Cash at bank and in hand		73,023		24,799	
		<u>2,467,399</u>		<u>2,000,489</u>	
Creditors: amounts falling due within one year	8	(1,240,124)		(891,452)	
Net current assets			<u>1,227,275</u>		<u>1,109,037</u>
Total assets less current liabilities			2,394,201		2,060,390
Creditors: amounts falling due after more than one year	9		(320,364)		(91,002)
Net assets			<u>2,073,837</u>		<u>1,969,388</u>
Capital and reserves					
Called up share capital	10		144,284		144,284
Share premium account			1,392,228		1,392,228
Profit and loss reserves			537,325		432,876
Total equity			<u>2,073,837</u>		<u>1,969,388</u>

CSOLS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 28 FEBRUARY 2023

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 28 February 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 22 December 2023 and are signed on its behalf by:

Dr P J Goddard

Director

Company Registration No. 03918227

CSOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

Company information

CSols Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Heath, Runcorn, Cheshire, United Kingdom, WA7 4QX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The directors have assessed the company's performance, projected income and expenditure and financial position since the balance sheet date and considered its ability to meet its liabilities as they fall due for a period of at least 12 months from the date of these accounts. In making their assessment the directors have considered the impact of the COVID-19 pandemic.

The directors are confident in the recovery of trading balances due from and other amounts advanced to related parties. The company has secured medium term funding from small business lenders and the directors are confident in the company's ability to service external debt and to meet capital repayment terms and related conditions. The company is reliant upon the continued support of its funders, including the majority shareholder and director, and the directors have no reason to believe such support will not be forthcoming.

Accordingly, the accounts are prepared on the going concern basis as the directors believe the necessary finance will continue to be made available in the foreseeable future to enable the company to meet its liabilities as they fall due.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover from support agreements is released over the period of the contract to ensure income is recognised in the profit and loss account in the period in which services are provided. Any amounts invoiced, but for which contract services have not yet been provided, are recognised as deferred income. Any amounts not yet invoiced, but for which contract services have been provided, are recognised as accrued income.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Such expenditure is capitalised and amortised over the asset's useful economic life, deemed to be 3 years, commencing in the year following its initial capitalisation.

CSOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Patents & licences	3 years straight line
Development costs	3 years straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	2 years straight line
Computer equipment	2 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

CSOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

CSOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CSOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2023

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	16	13

4 Intangible fixed assets

	Patents & Development licences £	costs £	Total £
Cost			
At 1 March 2022	113,511	2,289,186	2,402,697
Additions	86,645	423,275	509,920
At 28 February 2023	200,156	2,712,461	2,912,617
Amortisation and impairment			
At 1 March 2022	20,893	1,433,229	1,454,122
Amortisation charged for the year	11,858	297,106	308,964
At 28 February 2023	32,751	1,730,335	1,763,086
Carrying amount			
At 28 February 2023	167,405	982,126	1,149,531
At 28 February 2022	92,618	855,957	948,575

CSOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2023

5 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 March 2022	3,547	153,995	157,542
Additions	-	15,775	15,775
At 28 February 2023	3,547	169,770	173,317
Depreciation and impairment			
At 1 March 2022	3,547	151,309	154,856
Depreciation charged in the year	-	1,158	1,158
At 28 February 2023	3,547	152,467	156,014
Carrying amount			
At 28 February 2023	-	17,303	17,303
At 28 February 2022	-	2,686	2,686

6 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	92	92

7 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	1,334,417	1,232,769
Corporation tax recoverable	106,430	106,230
Other debtors	675,858	388,710
Prepayments and accrued income	37,052	4,064
Deferred tax asset	2,153,757	1,731,773
	240,619	243,917
	2,394,376	1,975,690

CSOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2023

8 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	102,961	66,599
Trade creditors	343,550	186,911
Taxation and social security	236,836	185,774
Other creditors	185,054	215,364
Accruals and deferred income	371,723	236,804
	<u>1,240,124</u>	<u>891,452</u>

Bank loans and overdrafts due within one year totalling £73,719 (2022: £10,648) secured by a fixed and floating charge over the assets of the company.

Bank loans and overdrafts due within one year totalling £13,400 (2022: £33,781) secured by way of personal guarantee provided by director Dr P J Goddard.

Included within other creditors due with one year are amounts totalling £4,802 (2022: £1,180) owing to director Dr P J Goddard.

9 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans and overdrafts	<u>320,364</u>	<u>91,002</u>

Bank loans and overdrafts due after more than one year totalling £287,062 (2022: £34,027) secured by a fixed and floating charge over the assets of the company.

Bank loans and overdrafts due after more than one year totalling £5,569 (2022: £13,400) are secured by way of personal guarantee provided by director Dr P J Goddard.

10 Called up share capital

	2023 £	2022 £
Ordinary share capital		
Issued and fully paid		
1,442,418 Ordinary shares of 10p each	144,242	144,242
4,202,572 Ordinary shares of 0.00001p each	42	42
	<u>144,284</u>	<u>144,284</u>

CSOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2023

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2023 £	2022 £
Total commitment	-	9,355

12 Financial commitments, guarantees and contingent liabilities

On 1 May 2017, the company offered security on a loan provided by the Isle of Man Department of Economic Development to XLabs Limited, a company incorporated in the Isle of Man. The original loan was for £130,000 and security has been provided on this amount and all other amounts which may thereafter become owing from XLabs Limited to the Isle of Man Department of Economic Development.

13 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

During the year, purchases and sales were made with Dendrite Labs Limited, a related party due to common shareholders. Purchases amounted to £90,540 (2022: £7,000) and sales amounted to £16,291 (2022: £49,156). At the balance sheet date a net amount of £124,613 (2022: £176,311) was due from Dendrite Labs Limited.

During the year, purchases and sales were made with Labmotive Limited, a related party due to common shareholders. Purchases amounted to £195,016 (2022: £125,851) and sales amounted to £99,512 (2022: £21,087). At the balance sheet date a net amount of £536 (2022: 48,094) was due from Labmotive Limited.

During the year, sales were made to and purchases were made from XLabs Limited, a company incorporated in the Isle of Man which is a related party due to common shareholders. Sales amounted to £117,557 (2022: £121,879) and purchases amounted to £233,830 (2022: £303,538). At the balance sheet date a net amount of £540,388 (2022: £570,761) was due from XLabs Limited.

During the year, sales and purchases were made with CSols Labs Limited, a 92% owned subsidiary. Sales amounted to £187,397 (2022: £102,454) and purchases amounted to £188,004 (2022: £100,079). At the balance sheet date a net amount of £230,257 (2022: £230,773) was due from CSols Labs Limited.

Amounts totalling £18,969 (2022: £47,181) are secured by way of personal guarantee provided by director Dr P J Goddard.

