

COMPANY REGISTRATION NUMBER: 04567874

Codeplay Software Limited
Filleted Financial Statements
For the year ended
31 October 2021



Codeplay Software Limited

Financial Statements

Year ended 31 October 2021

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Codeplay Software Limited**Statement of Financial Position****31 October 2021**

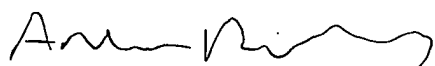
		2021		2020
	Note	£	£	(restated) £
Fixed assets				
Tangible assets	5		165,535	92,274
Investments	6		100	–
			<u>165,635</u>	<u>92,274</u>
Current assets				
Debtors	7	1,972,984		1,364,339
Cash at bank and in hand		<u>2,098,961</u>		<u>1,940,025</u>
		4,071,945		3,304,364
Creditors: amounts falling due within one year	8	<u>945,930</u>		<u>550,713</u>
Net current assets			<u>3,126,015</u>	<u>2,753,651</u>
Total assets less current liabilities			<u>3,291,650</u>	<u>2,845,925</u>
Creditors: amounts falling due after more than one year	9		<u>1,890,000</u>	<u>1,867,726</u>
Net assets			<u>1,401,650</u>	<u>978,199</u>
Capital and reserves				
Called up share capital	12		945,412	945,412
Share premium account			166,346	166,346
Other reserves			16,347	9,156
Profit and loss account			<u>273,545</u>	<u>(142,715)</u>
Shareholders funds			<u>1,401,650</u>	<u>978,199</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

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.

These financial statements were approved by the board of directors and authorised for issue on 25 March 2022, and are signed on behalf of the board by:



Andrew James Richards
Director

Company registration number: 04567874

The notes on pages 2 to 8 form part of these financial statements.

Codeplay Software Limited

Notes to the Financial Statements

Year ended 31 October 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Regent House, 316a Beulah Hill, London, SE19 3HF, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operations for the foreseeable future.

The company made a profit after tax for the period of £416,260 and has net assets of £1,401,650 which includes cash at bank and in hand of £2,098,961 at the period end. The directors have also considered the impact of COVID-19, it has not been shown to have a significant detrimental effect on business operations, contracts or the sales pipeline. As a result, the directors are of the opinion that, whilst there is an element of uncertainty, the investments made in 2019 and 2020, enhancing the company's position in artificial intelligence, provide a solid outlook for the coming year and into the future.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers. Turnover is recognised on a straight line basis over each sales contract from start date to the end date.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of tax loss that can be carried back to recover tax paid in a previous period or the receipt of R&D tax credits is sufficiently assured.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax liabilities are recognised only to the extent that is probable that they will be recovered against the reversal of deferred tax liabilities of other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Codeplay Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

3. Accounting policies *(continued)*

Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit or loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line
Leasehold improvements	-	Straight line over the life of the lease

Debtors

Debtors are recognised at the settlement amount due.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Creditors

Creditors and provisions are recognised where a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Share-based payments

The fair value of employee share options is calculated at the grant date. The resulting cost of providing share-based payments to employees is charged to the profit and loss account over the vesting period of the related share options.

Codeplay Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

3. Accounting policies *(continued)*

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship (see hedge accounting policy). Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Share-based payments

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 74 (2020: 73).

Codeplay Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

5. Tangible assets

	Fixtures and fittings £	Office Equipment £	Leasehold Improvements £	Total £
Cost				
At 1 November 2020 (as restated)	136,239	354,075	31,520	521,834
Additions	5,783	118,815	1,045	125,643
Disposals	—	(279)	—	(279)
At 31 October 2021	<u>142,022</u>	<u>472,611</u>	<u>32,565</u>	<u>647,198</u>
Depreciation				
At 1 November 2020	121,433	302,874	5,253	429,560
Charge for the year	8,023	39,436	4,923	52,382
Disposals	—	(279)	—	(279)
At 31 October 2021	<u>129,456</u>	<u>342,031</u>	<u>10,176</u>	<u>481,663</u>
Carrying amount				
At 31 October 2021	<u>12,566</u>	<u>130,580</u>	<u>22,389</u>	<u>165,535</u>
At 31 October 2020	<u>14,806</u>	<u>51,201</u>	<u>26,267</u>	<u>92,274</u>

6. Investments

	Shares in group undertakings £
Cost	
At 1 November 2020 as restated	—
Additions	100
At 31 October 2021	<u>100</u>
Impairment	
At 1 November 2020 as restated and 31 October 2021	—
Carrying amount	
At 31 October 2021	<u>100</u>
At 31 October 2020	<u>—</u>

7. Debtors

	2021 £	2020 (restated) £
Trade debtors	697,482	640,947
Other debtors	1,275,502	723,392
	<u>1,972,984</u>	<u>1,364,339</u>

Codeplay Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

8. Creditors: amounts falling due within one year

	2021	2020 <i>(restated)</i>
	£	£
Trade creditors	185,485	49,425
Social security and other taxes	126,966	108,657
Other creditors	633,479	392,631
	<u>945,930</u>	<u>550,713</u>

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

	2021	2020 <i>(restated)</i>
	£	£
Other creditors	<u>1,890,000</u>	<u>1,867,726</u>

10. Share-based payments

The company has issued share options under the terms of its EMI option scheme and has issued share options that are non-EMI which are under the same terms. The estimated fair value of the options outstanding in the year was calculated by applying the Black Scholes model. The expense recognised for share based payments in respect of employee services received during the year to 31 October 2021 is £7,191 (2020: £9,156).

Options are exercisable on the occurrence of an exit event as defined in the option rules.

The only other condition of vesting is remaining an employee. On ceasing to be an employee, any unvested options lapse. If unexercised, the options lapse no later than the tenth anniversary of the date of grant.

Details of the number and weighted average exercise price (WAEP) of share options during the year are as follows:

	2021 options	WAEP (£)	2020 options	WAEP (£)
Options outstanding at 1 November	12,961,482	–	11,001,802	–
Granted	2,498,500	–	2,200,013	–
Exercised	–	–	–	–
Lapsed	(1,228,182)	–	(240,333)	–
Cancelled	–	–	–	–
	<u>14,231,800</u>	–	<u>12,961,482</u>	–
Options outstanding at 31 October				

Codeplay Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

11. Prior period reallocation

Preference shares had previously been classified as equity. During the year it was identified that the terms of the preference shares more closely reflected that of a non-current liability. As these conditions were in place at 31 October 2020 and the information was available at that time to assess the instrument as a liability the prior period has been restated to reclassify the preference shares. The effect of this is summarised below:

	2020 £	Adjustment £	2020 as restated £
Called up share capital	2,445,412	(1,500,000)	945,412
Creditors: Amounts falling due after more than one year	367,726	1,500,000	1,867,726

12. Called up share capital

Issued, called up and fully paid

	2021		2020 (restated)	
	No.	£	No.	£
Amounts presented in equity:				
Ordinary A shares of £0.00001 each	41,151,597	412	41,151,597	412
Ordinary AB shares of £1 each	945,000	945,000	945,000	945,000
	<u>42,096,597</u>	<u>945,412</u>	<u>42,096,597</u>	<u>945,412</u>
Amounts presented in liabilities:				
Preference shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>

The Preference shares are entitled to a fixed non-cumulative dividend at a rate of 10% of the issue price following the third anniversary of their subscription, provided there are sufficient distributable profits.

The Preference shares and Ordinary AB shares do not carry any voting rights.

On a return of assets upon liquidation or capital reduction, the assets remaining after the payment of liabilities shall be distributed to shareholders *pari passu* as if all classes constitute one, until each shareholder has received the issue price. Thereafter, any remaining proceeds are allocated to the Ordinary shareholders *pro rata* to the number of shares held.

The proceeds of any sale of the entire equity share capital, following the exercise of employee share options, are distributable in accordance with the provisions set out in the company's Articles of Association.

13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 (restated) £
Not later than 1 year	135,176	96,813
Later than 1 year and not later than 5 years	465,144	543,531
Later than 5 years	—	56,789
	<u>600,320</u>	<u>697,133</u>

14. Summary audit opinion

The auditor's report for the year was unqualified.

Codeplay Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

14. Summary audit opinion *(continued)*

The senior statutory auditor was Barry Truswell CA, for and on behalf of Chiene + Tait LLP.

15. Related party transactions

The company has chosen to take advantage of the exemption under FRS102 section 1AC.35 to not disclose related party transactions.

16. Controlling party

There is no individual controlling party for the company.