

Flexys Solutions Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2022

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 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>5</u>	2,290,005	1,563,617
Tangible assets	<u>6</u>	38,358	5,741
		2,328,363	1,569,358
Current assets			
Debtors	<u>7</u>	908,629	513,268
Cash at bank and in hand		941,459	327,449
		1,850,088	840,717
Creditors: Amounts falling due within one year	<u>8</u>	(1,312,980)	(762,455)
Net current assets		537,108	78,262
Total assets less current liabilities		2,865,471	1,647,620
Creditors: Amounts falling due after more than one year	<u>8</u>	(141,343)	(150,245)
Net assets		2,724,128	1,497,375
Capital and reserves			
Called up share capital		7	6
Share premium reserve		4,300,440	2,800,292
Other reserves		16,774	51,247
Profit and loss account		(1,593,093)	(1,354,170)
Total equity		2,724,128	1,497,375

Flexys Solutions Ltd

(Registration number: 10536443)
Balance Sheet as at 31 March 2022

For the financial year ending 31 March 2022 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 4 May 2022 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 2022

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 April 2021	6	2,800,292	51,247	(1,354,170)	1,497,375
Loss for the year	-	-	-	(238,923)	(238,923)
New share capital subscribed	1	1,500,148	-	-	1,500,149
Share based payment transactions	-	-	(34,473)	-	(34,473)
At 31 March 2022	7	4,300,440	16,774	(1,593,093)	2,724,128
	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 April 2020 (as originally stated)	6	2,800,292	32,525	(1,392,129)	1,440,694
Profit for the year	-	-	-	37,959	37,959
Share based payment transactions	-	-	18,722	-	18,722
At 31 March 2021	6	2,800,292	51,247	(1,354,170)	1,497,375

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

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 early phase of the business has resulted in a loss for the year. The company raised investment in the period and the directors are confident through a combination of increased future revenues and careful cost control, the company will continue in operational existence for the foreseeable future, and therefore 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 2022

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.

Government grants

Government grants are recognised, using the accrual model, at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received.

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

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

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
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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.

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

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.

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 32 (2021 - 20).

4 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
Current taxation		
R&D tax credit	(346,428)	(223,253)
Over/(under) provision relating to prior periods	4,943	-
	<u>(341,485)</u>	<u>(223,253)</u>

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

5 Intangible fixed assets

	Internally generated software development costs £
Cost	
At 1 April 2021	1,942,377
Additions internally developed	1,022,918
At 31 March 2022	<u>2,965,295</u>
Amortisation	
At 1 April 2021	378,760
Amortisation charge	296,530
At 31 March 2022	<u>675,290</u>
Carrying amount	
At 31 March 2022	<u>2,290,005</u>
At 31 March 2021	<u>1,563,617</u>

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

6 Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2021	5,039	32,302	37,341
Additions	516	42,164	42,680
Disposals	(2,156)	(4,816)	(6,972)
At 31 March 2022	3,399	69,650	73,049
Depreciation			
At 1 April 2021	4,225	27,375	31,600
Charge for the year	417	9,646	10,063
Eliminated on disposal	(2,156)	(4,816)	(6,972)
At 31 March 2022	2,486	32,205	34,691
Carrying amount			
At 31 March 2022	913	37,445	38,358
At 31 March 2021	814	4,927	5,741

7 Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	332,850	225,552
Other debtors	3,698	6,287
Prepayments and accrued income	225,653	58,102
Corporation tax	346,428	223,253
Directors' loan accounts	-	74
	908,629	513,268

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

8 Creditors: Amounts falling due within one year

	Note	2022 £	2021 £
Bank loans and overdrafts	<u>9</u>	6,806	-
Trade creditors		63,178	52,101
Taxation and social security		257,376	260,140
Other creditors		24,953	133
Accruals and deferred income		960,667	450,081
		1,312,980	762,455
Due after one year			
Loans and borrowings	<u>9</u>	141,343	150,245

9 Loans and borrowings

	2022 £	2021 £
Current loans and borrowings		
Bank loan	6,806	-
	6,806	-
Non-current loans and borrowings		
Bank borrowings	41,343	50,000
Convertible loan	100,000	100,245
	141,343	150,245

The bank loan is the government backed Business Bounce Back Loan, an unsecured loan with a flexible repayment term of 6 years, charged at 2.5% interest.

The convertible loan represents a £100,000 convertible loan note which bears interest at a rate of 12% per annum.

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

10 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.00015 each	48,651	7.29	38,660	5.80

During the year 9,991 Ordinary shares having an aggregate nominal value of £1.50 were allotted for an aggregate consideration of £1,500,148.

11 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 credit of £28,395 (2021: £12,612 expense).

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

	2022 Number	2021 Number
Outstanding, start of period	600	600
Granted during the period	85	-
Outstanding, end of period	685	600

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Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

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

	2022	2021
	£	£
Outstanding, start of period	0.01	0.01
Granted during the period	100.00	-
Outstanding, end of period	<u>22.67</u>	<u>0.01</u>

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 credit of £6,078 (2021: £6,110 expense).

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

	2022	2021
	Number	Number
Outstanding, start of period	850	-
Granted during the period	1,640	1,105
Forfeited during the period	(285)	(255)
Outstanding, end of period	<u>2,205</u>	<u>850</u>

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Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

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

	2022	2021
	£	£
Outstanding, start of period	112.24	-
Granted during the period	69.10	112.24
Forfeited during the period	(90.67)	(112.24)
Outstanding, end of period	34.55	112.24

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.