

Company registration number 12070708 (England and Wales)

CONTENGO LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
PAGES FOR FILING WITH REGISTRAR

CONTENGO LTD

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CONTENGO LTD

BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£	£	as restated	£
Fixed assets					
Intangible assets	6		157,156		88,097
Tangible assets	7		13,279		1,648
			<u>170,435</u>		<u>89,745</u>
Current assets					
Debtors	8	35,248		26,428	
Cash at bank and in hand		30,052		41,659	
		<u>65,300</u>		<u>68,087</u>	
Creditors: amounts falling due within one year	9	(12,556)		(32,242)	
Net current assets			<u>52,744</u>		<u>35,845</u>
Total assets less current liabilities			<u>223,179</u>		<u>125,590</u>
Creditors: amounts falling due after more than one year	10		(47,090)		(50,000)
Provisions for liabilities			<u>(2,093)</u>		<u>(110)</u>
Net assets			<u>173,996</u>		<u>75,480</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss reserves			173,896		75,380
Total equity			<u>173,996</u>		<u>75,480</u>

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 31 March 2022 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.

CONTENGO LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved by the board of directors and authorised for issue on 21 July 2022 and are signed on its behalf by:

C. Southey
Director

L. Southey
Director

Company Registration No. 12070708

CONTENGO LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Contengo Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Hill View, Lodge Hill, Abingdon, Oxfordshire, OX14 2JA.

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.

These financial statements for the year ended 31 March 2022 are the first financial statements of Contengo Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2020. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 15.

1.2 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 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.

1.4 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.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

CONTENGO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Amortisation 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:

Development costs	0% until active
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1.5 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	20% straight line
Computers	33% 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.

1.6 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 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.

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.

CONTENGO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 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.

1.11 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.12 Retirement benefits

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

1.13 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.

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.

3 Employees

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

	2022 Number	2021 Number
Total	3	2

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	(4,943)	(21,383)
Deferred tax		
Origination and reversal of timing differences	1,983	110
Total tax credit	(2,960)	(21,273)

5 Dividends

	2022 Per share £	2021 Per share £	2022 Total £	2021 Total £
Ordinary				
Interim paid	4.30	-	43,000	-

6 Intangible fixed assets

	Restated Development costs £
Cost	
At 1 April 2021	88,097
Additions - internally developed	69,059
At 31 March 2022	157,156
Amortisation and impairment	
At 1 April 2021 and 31 March 2022	-
Carrying amount	
At 31 March 2022	157,156
At 31 March 2021	88,097

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 April 2021	-	2,553	2,553
Additions	13,564	2,406	15,970
	<u>13,564</u>	<u>4,959</u>	<u>18,523</u>
At 31 March 2022	13,564	4,959	18,523
	<u>13,564</u>	<u>4,959</u>	<u>18,523</u>
Depreciation and impairment			
At 1 April 2021	-	905	905
Depreciation charged in the year	2,713	1,626	4,339
	<u>2,713</u>	<u>2,531</u>	<u>5,244</u>
At 31 March 2022	2,713	2,531	5,244
	<u>2,713</u>	<u>2,531</u>	<u>5,244</u>
Carrying amount			
At 31 March 2022	10,851	2,428	13,279
	<u>10,851</u>	<u>2,428</u>	<u>13,279</u>
At 31 March 2021	-	1,648	1,648
	<u>-</u>	<u>1,648</u>	<u>1,648</u>

8 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	16,227	3,760
Corporation tax recoverable	4,943	21,383
Other debtors	14,078	1,285
	<u>35,248</u>	<u>26,428</u>
	<u>35,248</u>	<u>26,428</u>

9 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	3,535	-
Taxation and social security	3,821	29,336
Other creditors	5,200	2,906
	<u>12,556</u>	<u>32,242</u>
	<u>12,556</u>	<u>32,242</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Other creditors	47,090	50,000
	<u>47,090</u>	<u>50,000</u>

During the prior period, the company received a coronavirus government guaranteed Bounce Back Loan of £50,000. A Business Interruption Payment (BIP) of £1,250 loan interest has been recognised as required. Subsequent to this the directors have agreed further support via the Pay As You Grow scheme, extending repayment terms over 10 years and adopting a further 6 month repayment holiday.

11 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	931	87
	<u>931</u>	<u>87</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Included in the balance sheet are unpaid pension contributions of £750 (2021: £156).

12 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary of 1p each	10,000	10,000	100	100
	<u>10,000</u>	<u>10,000</u>	<u>100</u>	<u>100</u>

13 Operating lease commitments

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

	2022 £	2021 £
	7,133	11,024
	<u>7,133</u>	<u>11,024</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Directors' transactions

Loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Loans - unsecured and repayable upon demand	2.00	-	13,096	209	(5,905)	7,400
Loan - unsecured and repayable upon demand	2.00	-	18,645	209	(12,644)	6,210
		-	31,741	418	(18,549)	13,610

15 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

	Notes	1 April 2020 £	31 March 2021 £
Equity as reported under previous UK GAAP		(969)	(12,507)
Adjustments arising from transition to FRS 102:			
Capitalisation of development costs	1	-	88,097
Deferred tax	2	-	(110)
Equity reported under FRS 102		(969)	75,480

Reconciliation of (loss)/profit for the financial period

	Notes	2021 £
Loss as reported under previous UK GAAP		(11,538)
Adjustments arising from transition to FRS 102:		
Capitalisation of development costs	1	88,097
Deferred tax	2	(110)
Profit reported under FRS 102		76,449

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

Capitalisation of development costs

Upon transition to UK GAAP FRS 102-1A the company has adopted the policy of capitalising their development costs when the recognition criteria are suitably met.

Deferred tax adjustment

Deferred tax adjustment due to transition to FRS 102-1A.

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