

Company Registration No. 06176814 (England and Wales)

CONVERSION FACTORY LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
PAGES FOR FILING WITH REGISTRAR

CONVERSION FACTORY LTD

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CONVERSION FACTORY LTD

BALANCE SHEET

AS AT 31 MARCH 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		-		3,126
Tangible assets	4		44,633		52,771
			<u>44,633</u>		<u>55,897</u>
Current assets					
Debtors	5	860,797		705,106	
Cash at bank and in hand		778,478		577,376	
		<u>1,639,275</u>		<u>1,282,482</u>	
Creditors: amounts falling due within one year	6	(295,695)		(252,740)	
			<u>1,343,580</u>		<u>1,029,742</u>
Total assets less current liabilities			1,388,213		1,085,639
Provisions for liabilities			(7,494)		-
			<u>1,380,719</u>		<u>1,085,639</u>
Net assets			<u>1,380,719</u>		<u>1,085,639</u>
Capital and reserves					
Called up share capital	7		1		1
Share premium account			10,835		-
Other reserves			757		757
Profit and loss reserves			1,369,126		1,084,881
			<u>1,380,719</u>		<u>1,085,639</u>
Total equity			<u>1,380,719</u>		<u>1,085,639</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 2020 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.

CONVERSION FACTORY LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

The financial statements were approved by the board of directors and authorised for issue on 18 December 2020 and are signed on its behalf by:

Mr S M Pavlovich
Director

Company Registration No. 06176814

CONVERSION FACTORY LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£
Balance at 1 April 2018	1	-	757	1,024,809	1,025,567
Year ended 31 March 2019:					
Profit and total comprehensive income for the year	-	-	-	140,072	140,072
Dividends	-	-	-	(80,000)	(80,000)
Balance at 31 March 2019	1	-	757	1,084,881	1,085,639
Year ended 31 March 2020:					
Profit and total comprehensive income for the year	-	-	-	364,245	364,245
Issue of share capital	7	10,835	-	-	10,835
Dividends	-	-	-	(80,000)	(80,000)
Balance at 31 March 2020	1	10,835	757	1,369,126	1,380,719

CONVERSION FACTORY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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	25% reducing balance
Office equipment	25% reducing balance
Bicycles	25% reducing balance

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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

CONVERSION FACTORY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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 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.

CONVERSION FACTORY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

1.12 Retirement benefits

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

1.13 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 Employees

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

	2020 Number	2019 Number
Total	27	32

CONVERSION FACTORY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3	Intangible fixed assets		Domain name	£	
	Cost				
	At 1 April 2019 and 31 March 2020		31,254		
	Amortisation and impairment				
	At 1 April 2019		28,128		
	Amortisation charged for the year		3,126		
	At 31 March 2020		31,254		
	Carrying amount				
	At 31 March 2020		-		
	At 31 March 2019		3,126		
	4 Tangible fixed assets				
		Fixtures and Office equipment fittings	Bicycles	Total	
		£	£	£	
	Cost				
	At 1 April 2019	33,854	73,161	1,333	108,348
	Additions	8,618	3,915	-	12,533
	Disposals	(2,691)	(10,290)	-	(12,981)
	At 31 March 2020	39,781	66,786	1,333	107,900
	Depreciation and impairment				
	At 1 April 2019	17,491	37,086	1,000	55,577
	Depreciation charged in the year	4,020	10,961	333	15,314
	Eliminated in respect of disposals	(1,376)	(6,248)	-	(7,624)
	At 31 March 2020	20,135	41,799	1,333	63,267
	Carrying amount				
	At 31 March 2020	19,646	24,987	-	44,633
	At 31 March 2019	16,363	36,075	333	52,771

CONVERSION FACTORY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Debtors	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	484,235	477,324
Other debtors	376,562	227,782
	<u>860,797</u>	<u>705,106</u>
6 Creditors: amounts falling due within one year	2020	2019
	£	£
Trade creditors	109,459	77,194
Corporation tax	62,654	4,617
Other taxation and social security	80,390	103,461
Other creditors	43,192	67,468
	<u>295,695</u>	<u>252,740</u>
7 Called up share capital	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
100,000 Class A of 0.00001p each	1	1
3,334 (2019: 0) Class B of 0.00001p each	-	-
	<u>1</u>	<u>1</u>

On 15 July 2019 options were exercised in relation to 3,334 Class B shares for total consideration of £10,835.

8 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:

2020	2019
£	£
<u>283,939</u>	<u>493,582</u>

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.