

**REGISTERED NUMBER: 03020608 (England and Wales)**

**Unaudited Financial Statements for the Year Ended 31 March 2020**

**for**

**CENTURION MANAGEMENT SYSTEMS LIMITED**

**Contents of the Financial Statements  
for the year ended 31 March 2020**

	<b>Page</b>
<b>Company Information</b>	1
<b>Balance Sheet</b>	2
<b>Notes to the Financial Statements</b>	4

**CENTURION MANAGEMENT SYSTEMS LIMITED**

**Company Information  
for the year ended 31 March 2020**

**DIRECTORS:**

D G Burrows  
C J Derry Bennett  
Mrs N M Richards  
J P Richards  
Mrs R A King

**SECRETARY:**

J P Richards

**REGISTERED OFFICE:**

Preston Park House  
South Road  
Brighton  
East Sussex  
BN1 6SB

**REGISTERED NUMBER:**

03020608 (England and Wales)

**ACCOUNTANTS:**

Plus Accounting  
Chartered Accountants  
Preston Park House  
South Road  
Brighton  
East Sussex  
BN1 6SB

**CENTURION MANAGEMENT SYSTEMS LIMITED (REGISTERED NUMBER: 03020608)**

**Balance Sheet  
31 March 2020**

		2020	2019
	Notes	£	as restated £
<b>FIXED ASSETS</b>			
Intangible assets	4	297,242	-
Tangible assets	5	<u>55,957</u>	<u>36,646</u>
		<u>353,199</u>	<u>36,646</u>
<b>CURRENT ASSETS</b>			
Debtors	6	262,709	252,616
Cash at bank		<u>628,234</u>	<u>271,726</u>
		890,943	524,342
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>(1,175,485)</u>	<u>(462,034)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(284,542)</u>	<u>62,308</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		68,657	98,954
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	-	(125,495)
<b>PROVISIONS FOR LIABILITIES</b>	10	<u>(37,992)</u>	<u>(6,033)</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>30,665</u>	<u>(32,574)</u>

The notes form part of these financial statements

**Balance Sheet - continued  
31 March 2020**

	Notes	2020 £	2019 as restated £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	27,626	27,626
Share premium		267,474	267,474
Other reserves		106,725	37,303
Retained earnings		<u>(371,160)</u>	<u>(364,977)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><b>30,665</b></u>	<u><b>(32,574)</b></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b) each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 17 September 2020 and were signed on its behalf by:

J P Richards - Director

**Notes to the Financial Statements  
for the year ended 31 March 2020**

1. **STATUTORY INFORMATION**

Centurion Management Systems Limited is a private company, limited by shares, registered in England and Wales. The company's registered number, registered office address and business address can be found on the Company Information page.

The presentational currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates and these 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The items in the financial statements where these judgements and estimates have been made include the useful economic life of tangible fixed assets, the depreciation of these assets, provisions and recoverability of debtors.

**Turnover**

Fee income represents revenue earned under a wide variety of contracts to provide software subscriptions. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for the provision of these subscriptions under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients excluding value added tax.

Revenue is generally recognised over the length of the subscription with any amounts relating to future periods being shown in creditors.

**Intangible assets**

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and will be amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project of 3 years. The product was completed in July 2020.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and Loss Account.

A research and development tax credit is recognised when it is probable that a tax credit in relation to research and development carried out will be received.

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

2. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

Tangible fixed assets held for the company's own use are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended by management.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful economic life.

Computer equipment	- 33% on cost
Fixtures & fittings	- 25% reducing balance

**Impairment policy**

At each balance sheet date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an 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 asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Financial instruments**

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 entity after deducting all of its financial liabilities.

During years ended 31 March 2018 and 31 March 2020, the company received convertible loans consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Notes to the Financial Statements - continued  
for the year ended 31 March 2020**

**2. ACCOUNTING POLICIES - continued****Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Going concern**

The directors have recently obtained additional finance to ensure that the company has adequate resources to continue in existence for the foreseeable future. Although the company was loss making in this financial year it has continued to grow its revenue and increase the number of subscribers to its successful Breathe HR platform and has now become profitable. With a further platform being developed, the directors are positive that the company's growth will continue and the company therefore continues to adopt the going concern basis in preparing its financial statements.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 41 (2019 - 29) .

**4. INTANGIBLE FIXED ASSETS**

	<b>Development costs £</b>
<b>COST</b>	
Additions	<u>297,242</u>
At 31 March 2020	<u>297,242</u>
<b>NET BOOK VALUE</b>	
At 31 March 2020	<u><u>297,242</u></u>

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

## 5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2019	110,206	88,475	198,681
Additions	<u>19,491</u>	<u>23,645</u>	<u>43,136</u>
At 31 March 2020	<u>129,697</u>	<u>112,120</u>	<u>241,817</u>
<b>DEPRECIATION</b>			
At 1 April 2019	89,426	72,609	162,035
Charge for year	<u>10,065</u>	<u>13,760</u>	<u>23,825</u>
At 31 March 2020	<u>99,491</u>	<u>86,369</u>	<u>185,860</u>
<b>NET BOOK VALUE</b>			
At 31 March 2020	<u>30,206</u>	<u>25,751</u>	<u>55,957</u>
At 31 March 2019	<u>20,780</u>	<u>15,866</u>	<u>36,646</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Computer equipment £
<b>COST</b>	
At 1 April 2019	2,796
Transfer to ownership	<u>(2,796)</u>
At 31 March 2020	<u>-</u>
<b>DEPRECIATION</b>	
At 1 April 2019	1,845
Transfer to ownership	<u>(1,845)</u>
At 31 March 2020	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>951</u>

## 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 as restated £
Trade debtors	98,197	84,290
Other debtors	<u>164,512</u>	<u>168,326</u>
	<u>262,709</u>	<u>252,616</u>

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

## 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019 as restated
	£	£
Hire purchase contracts (see note 9)	-	1,000
Trade creditors	98,973	93,097
Taxation and social security	147,614	111,902
Other creditors	928,898	256,035
	<u>1,175,485</u>	<u>462,034</u>

Included within other creditors are the following loans with options to convert into ordinary £1 shares on the 14 February 2021.

Lender	£	No of shares
Xanthe II Investments Limited	322,150	4,513
Duane Jackson	184,105	1,443

## 8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019 as restated
	£	£
Other creditors	<u>-</u>	<u>125,495</u>

Included within other creditors: amounts falling due after more than one year, is a loan received from Xanthe II Investments Ltd of £Nil (2019: £125,495). In 2020 this loan is included in other creditors: amounts falling due within one year.

## 9. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020	2019 as restated
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>1,000</u>

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

## 9. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2020	2019 as restated
	£	£
Within one year	90,478	90,478
Between one and five years	<u>122,654</u>	<u>213,380</u>
	<u><b>213,132</b></u>	<u><b>303,858</b></u>

## 10. PROVISIONS FOR LIABILITIES

	2020	2019 as restated
	£	£
Deferred tax	<u>37,992</u>	<u>6,033</u>
		Deferred tax
		£
Balance at 1 April 2019		6,033
Accelerated capital allowances		<u>31,959</u>
Balance at 31 March 2020		<u><b>37,992</b></u>

## 11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019 as restated
Number:	Class:	Nominal value:	£	£
27,626	Ordinary	£1	<u>27,626</u>	<u>27,626</u>

**Notes to the Financial Statements - continued  
for the year ended 31 March 2020**

**12. SHARE-BASED PAYMENT TRANSACTIONS**

Centurion Management Systems Ltd has two EMI Share Option Plan schemes. The schemes provide additional remuneration to employees considered to be key to the operations of the company.

The first scheme was introduced on 7 December 2012. As at 31 March 2020, 2 (2019: 2) employees have been granted options over 1,500 ordinary shares (2019: 1,500).

The second scheme was introduced on 2 September 2014. As at 31 March 2020, 3 (2019: 3) employees have been granted options over 1,200 ordinary shares (2019: 1,200).

The options are granted with an exercise price of £1.00 and are exercisable if any of the agreed conditions are met. Employees are not entitled to dividends until the shares are exercised. Vesting of the options is subject to continued employment within the company.

The total value of the options is £2,700 which the directors do not consider to be material. A full fair value valuation using the Black-Scholes pricing method is not considered justifiable and therefore no adjustment has been made to the financial statements to reflect these share options.

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.