

LIVECODE LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE 3 MONTHS ENDED 31 DECEMBER 2021
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LIVECODE LTD

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	31 December 2021		30 September 2021	
		£	£	£	£
Fixed assets					
Intangible assets	4		411		481
Tangible assets	5		9,477		11,288
Investments	6		300		300
			<u>10,188</u>		<u>12,069</u>
Current assets					
Debtors	7	111,332		149,415	
Cash at bank and in hand		1,228		525	
		<u>112,560</u>		<u>149,940</u>	
Creditors: amounts falling due within one year	8	(496,596)		(659,238)	
Net current liabilities			(384,036)		(509,298)
Total assets less current liabilities			(373,848)		(497,229)
Creditors: amounts falling due after more than one year	9		(842,237)		(637,698)
Net liabilities			<u>(1,216,085)</u>		<u>(1,134,927)</u>
Capital and reserves					
Called up share capital	10		7,425		7,422
Share premium account			2,367,561		2,365,064
Profit and loss reserves			(3,591,071)		(3,507,413)
Total equity			<u>(1,216,085)</u>		<u>(1,134,927)</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 3 months ended 31 December 2021 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 3 months 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.

LIVECODE LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 24th January 2022 and are signed on its behalf by:

Kenn Miller

K Miller
Director

Company Registration No. SC200728

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Livecode Ltd is a private company limited by shares incorporated in Scotland. The registered office is 66 Albion Road, Edinburgh, EH7 5QZ.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The company's ongoing activities are dependent upon the continued support of the directors, loan funders and investors who have undertaken to provide such support for the foreseeable future along with voluntary arrangement entered into in 2015 and revised in 2021.

If the going concern basis were not appropriate, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that may arise and to reclassify fixed assets as current assets and long term liabilities as current liabilities. The directors have assurances that funds would be made available by investors to pay certain creditors if required.

1.3 Reporting period

This period is for 3 months from 1 October 2021 to 31 December 2021. The previous period was for 3 months from 1 July 2021 to 30 September 2021.

1.4 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 the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 3 MONTHS ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 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.

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:

Patents and other intangibles	10% Straight Line
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1.6 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, fittings & equipment	33% straight line
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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.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 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.

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 3 MONTHS ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) 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 (or cash-generating unit) 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.

1.9 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.

1.10 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.

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 3 MONTHS ENDED 31 DECEMBER 2021

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.

1.11 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.

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax, the tax charge also includes the impact of any claim for research and development 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. The taxation charge also shows refunds due to research and development tax credit claims.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. A deferred tax asset has not been included for losses available to carry forward.

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 3 MONTHS ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.14 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.

1.15 Retirement benefits

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

1.16 Foreign exchange

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

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 3 months was 18 (2021 - 18).

	2021 Number	2021 Number
Total	18	18

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 3 MONTHS ENDED 31 DECEMBER 2021

4 Intangible fixed assets

	Other £
Cost	
At 1 October 2021 and 31 December 2021	448,484
Amortisation and impairment	
At 1 October 2021	448,003
Amortisation charged for the 3 months.	70
At 31 December 2021	448,073
Carrying amount	
At 31 December 2021	411
At 30 September 2021	481

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 October 2021 and 31 December 2021	109,851
Depreciation and impairment	
At 1 October 2021	98,563
Depreciation charged in the 3 months	1,811
At 31 December 2021	100,374
Carrying amount	
At 31 December 2021	9,477
At 30 September 2021	11,288

6 Fixed asset investments

	2021 £	2021 £
Shares in group undertakings and participating interests	300	300

Fixed asset investments not carried at market value

The above investments relate to a 50% share in Livecode China Ltd (a Chinese registered entity) valued at £0 and a 30% share in Kognition.io Ltd (a Scottish registered company) valued at £300. During the year ended 31 March 2018 the Livecode China Ltd investment was written off to £nil. At present the Kognition.io investment is valued at the cost of the investment until their activities are more established.

LIVECODE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 3 MONTHS ENDED 31 DECEMBER 2021

7 Debtors

	2021	2021
	£	£
Amounts falling due within one year:		
Trade debtors	14,102	32,098
Corporation tax recoverable	41,051	42,263
Other debtors	56,179	75,054
	<u>111,332</u>	<u>149,415</u>

8 Creditors: amounts falling due within one year

	2021	2021
	£	£
Trade creditors	5,267	5,152
Taxation and social security	64,896	33,520
Other creditors	426,433	620,566
	<u>496,596</u>	<u>659,238</u>

9 Creditors: amounts falling due after more than one year

	2021	2021
	£	£
Other creditors	<u>842,237</u>	<u>637,698</u>

10 Called up share capital

	2021	2021	2021	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 10p each	<u>74,219</u>	<u>74,219</u>	<u>7,425</u>	<u>7,422</u>

During the period 28 ordinary £0.10 shares were issued for cash.