

Unaudited Financial Statements
for the Year Ended 31 December 2020
for
Coull Limited

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for the Year Ended 31 December 2020**

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Coull Limited

Company Information
for the Year Ended 31 December 2020

DIRECTORS:

T W Fraser
P I Fraser
M R M Hall

REGISTERED OFFICE:

77 Stokes Croft
Bristol
BS1 3RD

REGISTERED NUMBER:

06679670 (England and Wales)

Balance Sheet
31 December 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	4		-		432
CURRENT ASSETS					
Debtors	5	107,859		152,575	
Cash at bank		<u>129,857</u>		<u>159,001</u>	
		237,716		311,576	
CREDITORS					
Amounts falling due within one year	6	<u>1,778,930</u>		<u>216,688</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(1,541,214)</u>		<u>94,888</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,541,214)</u>		<u>95,320</u>
CREDITORS					
Amounts falling due after more than one year	7		-		1,615,000
NET LIABILITIES			<u>(1,541,214)</u>		<u>(1,519,680)</u>
CAPITAL AND RESERVES					
Called up share capital	8		2,392,978		2,117,394
Share premium	9		10,599,468		10,599,468
Equity reserves	9		28,350		27,850
Retained earnings	9		<u>(14,562,010)</u>		<u>(14,264,392)</u>
SHAREHOLDERS' FUNDS			<u>(1,541,214)</u>		<u>(1,519,680)</u>

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

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 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
- (b) 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.

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 24 February 2021 and were signed on its behalf by:

T W Fraser - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. STATUTORY INFORMATION

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

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.

The financial statements have been prepared on a going concern basis as the Directors believe that the Company has both sufficient support from existing shareholders and the potential to raise external funds from new investors to enable it to trade for a period of at least 12 months from the date that the unaudited financial statements are signed.

Turnover

Turnover is recognised when the significant risks and rewards of products and services have been passed to the buyer and can be measured reliably.

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided, at the following annual rates in order to write off each asset to its residual value over its estimated useful life:-

Straight line basis

Fittings, fixtures, furniture and equipment - Over 3 years

Software purchase and development - Over 3 years

Rates of depreciation are reviewed regularly in the light of experience.

Assets under course of construction are not depreciated until the asset is fully completed and has 'gone live' in the business.

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.

Lease commitments

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the lease term. Assets used by the Company that have been funded through finance leases or hire purchase agreements are capitalised and the resulting lease obligations are included in creditors, net of finance charges. Interest costs on finance leases or hire purchase agreements are charged to the Profit and Loss Account to represent a constant rate on the carrying amount of the liability.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Capital instruments

Ordinary shares are an equity instrument and are included in shareholders' funds. Other capital instruments are classified as liabilities if they have a contractual obligation to transfer economic benefits in a future period. The finance cost recognised in the Income Statement in respect of capital instruments that are classified as liabilities is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

Share-based payments

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 7 (2019 - 11) .

4. TANGIBLE FIXED ASSETS

	Fixtures, fittings & equipment £
COST	
At 1 January 2020	
and 31 December 2020	164,691
DEPRECIATION	
At 1 January 2020	164,259
Charge for year	432
At 31 December 2020	164,691
NET BOOK VALUE	
At 31 December 2020	-
At 31 December 2019	432

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	1,756	44,042
Other debtors	6,050	8,552
Tax	98,358	95,463
VAT	1,012	3,431
Prepayments	683	1,087
	<u>107,859</u>	<u>152,575</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Convertible promissory loan notes	1,615,000	-
Trade creditors	141,846	189,506
Social security and other taxes	6,176	7,780
Other creditors	8,964	10,799
Accrued expenses	6,944	8,603
	<u>1,778,930</u>	<u>216,688</u>

In 2015, the Company, by resolution of its board of Directors resolved to create £1,615,000 Unsecured Nil Rate Loan Notes and has determined to constitute them in the manner provided in this Instrument.

Each Note holder may (but shall not be under any obligation to) by written notice to the Company elect to convert all or any of their Loan Notes into Ordinary Shares at a conversion price of £5.00 per Ordinary Share, at any time prior to the Redemption Date of or immediately prior to but conditional on completion of an Exit occurring at any time prior to the Redemption Date. The Redemption Date is 22 March 2021. The Directors are confident, based on the agreement from the majority shareholder, that loan note holders will agree to convert to equity at par value.

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Convertible promissory loan notes	<u>-</u>	<u>1,615,000</u>

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
239,291,019	Ordinary Shares	0.01	2,392,910	2,117,326
6,800	Ordinary B Shares	0.01	68	68
			<u>2,392,978</u>	<u>2,117,394</u>

During the year 27,558,376 Ordinary Shares of £0.01 each were issued and allotted as fully paid at par value.

This supports the Company Directors' belief that the company has sufficient support from existing shareholders and external investors to enable the Company to trade for a period of at least 12 months from the date that the unaudited financial statements are signed and that the financial statements should be prepared on a going concern basis.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

9. **RESERVES**

	Retained earnings £	Share premium £	Equity reserves £	Totals £
At 1 January 2020	(14,264,392)	10,599,468	27,850	(3,637,074)
Deficit for the year	(297,618)			(297,618)
Movement in share options	-	-	500	500
At 31 December 2020	(14,562,010)	10,599,468	28,350	(3,934,192)

Share Options have been granted under the company's Enterprise Management Incentive (EMI) to enable certain employees to acquire ordinary shares of the company in the future. The scheme was set up during the year ended 31 December 2013. The expected vesting period is 6 years from the date of issue.

At the year end, 303,000 ordinary share options remain at an expected total value at the end of the vesting period of £29,850. The exercise period for 3,000 ordinary share options issued during the year ended 31 December 2013, at an exercise price of £8.95 commenced on 31 December 2018. The exercise period for 300,000 ordinary share options issued during the year ended 31 December 2017, at an exercise price of £0.01 is expected to commence on 31 December 2023.

Warrant Options were granted to shareholders, based on the share issue and allotment in October 2019. The Warrant Options, have no determined exercise date.

10. **RELATED PARTY DISCLOSURES**

Coull Americas Group LLC

On the 3 April 2012 the Company acquired 100% of the ordinary share capital of Coull Americas Group, LLC, its only subsidiary and a company based and incorporated in USA. The total consideration when the subsidiary was acquired was £1,294,495 (\$2,000,000).

During the year ended 31 December 2015, the Company Directors believed that the subsidiary was no longer a cash-generating unit, as its carrying amount exceeded its recoverable amount. Hence, an impairment for the full historical carrying amount of £1,294,495 was accounted for during the year ended 31 December 2015 and the subsidiary is now considered dormant.

11. **ULTIMATE CONTROLLING PARTY**

The Company's controlling party is Mr P I Fraser by virtue of his shareholding in the company.

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.