ZYNQ360 Limited

Annual report and financial statements

for the year ended 31 December 2019

Registered number: SC523812

ZYNQ360 Limited

Contents

ZYNQ360 Limited

Company information

Directors

B J Dillon
A W Sinclair

Company secretary

Fiona Stephen

Registered number

SC523812

Registered office

62 Leadside Road
Aberdeen
Scotland
AB25 1TW

Independent Auditor

Deloitte LLP
Union Plaza
1 Union Wynd
Aberdeen
AB10 1SL

ZYNQ360 Limited

Directors' report

The directors present their report with the audited financial statements of the company for the year ended 31 December 2019.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' regime, including the exemption from preparing a strategic report.

Directors

The directors, who served throughout the year and to the date of this report, were as follows:

B J Dillon
A W Sinclair

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Principle risks and uncertainties

The principle risks and uncertainties facing the company are outlined below. The directors are actively managing their responses to mitigate any further risk.

On 23 June 2016, the UK held a referendum on the UK's continuing membership of the EU, the outcome of which was a decision for the UK to leave the EU (Brexit). The UK left the EU on 31 January 2020 and will be in a transition period until 31 December 2020, during which time negotiations around a trade deal with the EU will continue. We are monitoring guidance and looking into potential implications of Brexit on the company but at this time it is unclear whether there will be any material consequences.

Following the year end, the World Health Organisation declared the spread of novel coronavirus Covid-19 as a pandemic, with repercussions worldwide. The outbreak of Covid-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown which could negatively impact the Company's operations and adversely affect its business. The extent to which the pandemic impacts our business, operations and financial results is uncertain and will depend on many evolving factors which may include: the duration, scope and severity of the pandemic; governmental decisions; the impact of the pandemic on the economy; and the extent to which we or our business partners may be prevented from conducting normal business activities due to shutdowns that may be requested or mandated by governmental authorities. These factors are expected to impact the profitability of the company. However, we have been reviewing our revenue streams and overhead cost base to ensure that we are in a position to provide the ultimate level of services to our customers and to continue to meet our liabilities as and when they fall due.

Going concern

The directors, having made due and careful enquiry and preparing forecasts which consider the Covid-19 impact, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from signing of the financial statements.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Events after balance sheet date

As outlined above the spread of novel coronavirus Covid-19 has had repercussions worldwide and as such we deem it appropriate to disclose this as a post balance sheet event. We have been unable to quantify the impact on the current year's results for the company but have been reviewing our revenue streams and overhead cost base to ensure that we are in a position to provide the ultimate level of services to our customers and to continue to meet our liabilities as and when they fall due.

Approved by the Board and signed on its behalf by:

B J Dillon
Director

7 July 2020

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply 'them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of ZYNQ360 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of ZYNQ360 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of ZYNQ360 Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

L Cowie

Lyn Cowie CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Aberdeen, United Kingdom
8 July 2020

ZYNQ360 Limited

Profit and loss account
For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	3	3,625,367	1,873,248
Cost of sales		(570,286)	(319,520)
Gross profit		3,055,081	1,553,728
Administrative expenses		(2,038,346)	(741,948)
Operating profit		1,016,735	811,780
Interest payable and similar expenses	4	(5,220)	(3,154)
Profit before taxation	5	1,011,515	808,626
Tax on profit	6	78,086	(160,468)
Profit for the financial year		1,089,601	648,158

All of the result for the current and prior year relates to continuing operations.

There are no recognised gains or losses in the current and prior year other than as included in the profit and loss account. Accordingly, no statement of comprehensive income is presented.

The notes on pages 10 to 18 form part of the financial statements.

ZYNQ360 Limited

Balance sheet
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	7	1	1
Intangible assets	8	857,265	758,523
Tangible assets	9	88,083	87,854
		945,349	846,378
Current assets			
Debtors: amounts falling due within one year	10	1,089,848	605,819
Cash at bank and in hand	11	1,438,957	241,868
		2,528,805	847,687
Creditors: amounts falling due within one year	12	(1,933,048)	(1,194,978)
Net current assets/(liabilities)		595,757	(347,291)
Total assets less current liabilities		1,541,106	499,087
Provisions for liabilities			
Deferred tax	6	(44,797)	(92,379)
Net assets		1,496,309	406,708
Capital and reserves			
Called-up share capital	14	1	1
Profit and loss account		1,496,308	406,707
		1,496,309	406,708

The notes on pages 10 to 18 form part of the financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements of ZYNQ360 Limited, registered number SC523812, were approved and authorised for issue by the board and were signed on its behalf by:

B J Dillon
Director

7 July 2020

ZYNQ360 Limited

Statement of changes in equity
For the year ended 31 December 2019

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2018	1	(241,451)	(241,450)
Profit for the financial year and total comprehensive income	-	648,158	648,158
At 31 December 2018	1	406,707	406,708
Profit for the financial year and total comprehensive income	-	1,089.601	1,089,601
At 31 December 2019	1	1,496,308	1,496,309

The notes on pages 10 to 18 form part of the financial statements.

Notes to the financial statements
For the year ended 31 December 2019

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

ZYNQ360 Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is 62 Leadside Road, Aberdeen, Scotland, AB25 1TW. The principle activity of the company is the provision of 3D visualisation services.

The average monthly number of employees (including executive directors) was 24 (2018: 12).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

b. Going concern

The directors, having made due and careful enquiry and preparing forecasts which consider the Covid-19 impact, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from signing of the financial statements.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

c. Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 102.

d. Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

e. Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1. Accounting policies (continued)

f. Intangible assets

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Company is expected to benefit which is 5 years. Provision is made for any impairment.

g. Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery - 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

h. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

i. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j. Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

k. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

l. Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

1. Accounting policies (continued)

m. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

n. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

n. Taxation (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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 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.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The directors deem there to be no key sources of estimation uncertainty.

Revenue recognition

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract. This includes judgement over the stage of completion of the contract at the end of the reporting period and the level of costs to complete.

Notes to the financial statements (continued)
For the year ended 31 December 2019

3. Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers during the period. The turnover is attributable to the company's principal activity being Visual Asset Management.

Analysis of turnover by geographical market

	2019	2018
	£	£
USA	2,903,364	1,438,943
UK	99,177	229,761
Europe	330,546	168,030
Rest of the world	292,280	36,514
	3,625,367	1,873,248

4. Interest payable and similar expenses

	2019	2018
	£	£
Bank interest payable	5,220	3,154
	5,220	3,154

5. Profit before taxation

Profit before taxation is stated after charging:

	2019	2018
	£	£
Amortisation	252,350	176,864
Depreciation	49,342	22,475
Foreign exchange loss/(gain)	69,753	(1,423)
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	-	5,000

Audit fees of £10,000 for 2019 have been borne by the parent company.

ZYNQ360 Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

6. Taxation

	2019	2018
Current taxation	**£**	**£**
UK corporation tax charge at 19% (2018:19%)	109,232	96,477
Adjustment in respect of prior periods	(139,736)	6,296
Total current tax (credit)/charge	(30,504)	102,773
Deferred taxation		
Origination and reversal of timing differences	(47,582)	57,695
Total tax (credit)/charge on profit	(78,086)	160,468

The tax charge for the year differs from the standard rate of corporation tax in the UK of 19% (2018: 19%) for the following reasons:

	2019	2018
	£	**£**
Profit before tax	1,011,515	808,626
Tax on profit at standard rate of UK tax of 19% (2018: 19%)	192,188	153,639
Effects of:		
Deductible capitalised costs	(69,781)	-
Losses brought forward	(62,289)	-
Expenses not deductible	1,532	533
Adjustments in respect of previous periods	(139,736)	6,296
Total tax (credit)/charge for the year	(78,086)	160,468

Deferred tax liability is provided as follows:

	2019	2018
	£'000	**£'000**
Deferred tax		
Provision at the start of the year	92,379	34,684
Origination and reversal of timing differences	(47,582)	57,695
Provision for deferred tax	44,797	92,379

At 31 December 2019 the deferred tax liability for timing differences arising from fixed assets is £44,797 (2018: £92,379) and recognised at 19% as expected to unwind in the short term. Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. Following this, there is no change in value of the deferred tax balance, as it is measured at a rate of 19%.

7. Fixed Asset Investments

	Investments in subsidiary companies £
Cost	
At 1 January 2019 and 31 December 2019	1
Net book value	
At 31 December 2019 and 31 December 2018	1

The company holds investments in the following companies.

Company	Type of shares	Country of incorporation	Principal activity	Holding %
ZynQ360 (One) Limited	Ordinary shares	United Kingdom	Holding company	100
ZynQ360 (One) PTY Limited*	Ordinary shares	Australia	Software asset management	100

The registered office of ZynQ360 (One) Limited is Leadside Road, Aberdeen, Scotland, AB25 1TW.
The registered office of ZynQ360 (One) PTY Limited is Unit 27/ 133 Kewdale Road, Kewdale, Western Australia, 6105.
* held indirectly

8. Intangible Assets

	Development Costs £
Cost	
At 1 January 2019	1,052,437
Additions	351,092
At 31 December 2019	1,403,529
Amortisation	
At 1 January 2019	293,914
Charge for the year	252,350
At 31 December 2019	546,264
Net book value	
At 31 December 2019	857,265
At 31 December 2018	758,523

9. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2019	114,034
Additions	49,571
At 31 December 2019	163,605
Depreciation	
At 1 January 2019	26,180
Charge for the year	49,342
At 31 December 2019	75,522
Net book value	
At 31 December 2019	88,083
At 31 December 2018	87,854

ZYNQ360 Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

10. Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,036,102	507,285
Amounts owed by subsidiary undertaking	5,377	68,395
VAT receivable	32,302	7,738
Other debtors	1,706	2,078
Prepayments	14,361	20,323
	1,089,848	605,819

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

11. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,438,957	241,868

12. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	81,924	25,993
Amounts owed to parent undertakings	1,150,660	323,463
Amounts owed to other group undertakings	358,886	688,474
Other taxation and social security	47,775	34,960
Corporation tax	80,109	30,057
Accruals and deferred income	213,694	92,031
	1,933,048	1,194,978

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

13. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit and loss	1,438,957	241,868
	1,438,957	241,868

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

14. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1	1	1

15. Related party transactions

The company has taken advantage of the exceptions within FRS 102 section 33 (Related Party Disclosure) which allows exemption from the disclosure of related party transactions with other group companies.

16. Ultimate Parent and Controlling Party

The immediate parent company is Whiterock Group Limited, a company registered in the United Kingdom. Their registered address is 62 Leadside Road, Aberdeen, Scotland, AB25 1TW. Consolidated financial statements are not required to be prepared.

Whiterock Group Limited is owned by a number shareholders, with no one shareholder having control of the company. Therefore the Directors are of the opinion there is no ultimate controlling party.

17. Post balance sheet events

Following the year end, the World Health Organisation declared the spread of novel coronavirus Covid-19 as a pandemic, with repercussions worldwide and as such, we deem it appropriate to disclose this as a post balance sheet event. We have been unable to quantify the impact on the current year's results for the company but have been reviewing our revenue streams and overhead cost base to ensure that we are in a position to provide the ultimate level of services to our customers and to continue to meet our liabilities as and when they fall due.