

Ipsotek Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2020

Ballards LLP
Chartered Accountants and Statutory Auditors
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Ipsotek Limited

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Ipsotek Limited

Company Information

Directors	Mr A Eggington Dr B Boghossian P F J Barnabe J Sandrini P C V Doren
Company secretary	D S Sakbun
Registered office	Acre House 11 - 15 William Road London NW1 3ER
Auditors	Ballards LLP Chartered Accountants and Statutory Auditors Oakmoore Court 11c Kingswood Road Hampton Lovett Droitwich Worcestershire WR9 0QH

Ipsotek Limited

**(Registration number: 04272419)
Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>4</u>	115,373	21,639
Current assets			
Stocks	<u>5</u>	94,158	208,399
Debtors	<u>6</u>	1,190,850	451,529
Cash at bank and in hand		<u>1,462,309</u>	<u>65,475</u>
		2,747,317	725,403
Creditors: Amounts falling due within one year	<u>7</u>	<u>(13,630,114)</u>	<u>(12,663,741)</u>
Net current liabilities		<u>(10,882,797)</u>	<u>(11,938,338)</u>
Total assets less current liabilities		(10,767,424)	(11,916,699)
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(50,000)</u>	-
Net liabilities		<u>(10,817,424)</u>	<u>(11,916,699)</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		<u>(10,818,424)</u>	<u>(11,917,699)</u>
Shareholders' deficit		<u>(10,817,424)</u>	<u>(11,916,699)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 27 September 2021 and signed on its behalf by:

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Mr A Eggington
Director

Ipsotek Limited

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

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Acre House
11 - 15 William Road
London
NW1 3ER

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The company's parent company, Ipsotek Holdings Limited, has provided in writing its intention to provide sufficient finance for the company to meet its liabilities when they fall due for a period of at least 12 months from the date of approval of these financial statements.

On 11 March 2020, the World Health Organisation declared the outbreak of the coronavirus (COVID-19) a global pandemic. To date, there has been no material change in the business. After reviewing and assessing the level of current activities, the directors are confident that the pandemic will not have a long term material adverse effect of the company.

Having taken into account the forecast revenues and the company's ongoing operational expenditure together with the likely capital additions and likely capital repayments, the company's directors have concluded that it is appropriate that these financial statements are prepared and presented using the going concern principal due to the continued support of the parent company's investor base.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 28 September 2021 was James Syree BSc ACA, who signed for and on behalf of Ballards LLP.

Ipsotek Limited

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

Judgements

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.

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

Functional currency

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements have been rounded to the nearest £.

Revenue recognition

Turnover represents sales to external customers at invoiced amounts less value added tax. Turnover from sales of Ipsotek systems is recognised when the risks and rewards of ownership of the system is transferred to the buyer. Hardware is shipped pre-loaded with software, and hence this is usually at the point of delivery to the customer. Turnover from service contracts is recognised on a straight-line basis over the period outlined in the contract.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised using the balance sheet liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements. Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. On this basis no deferred tax asset has been recognised.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Other property, plant and equipment	33.3% on cost
Furniture, fittings and equipment	50% on cost and 20% on cost

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

A large proportion of stock is held in customer demonstration models and research and development models. This stock is assessed for impairment as described above at each reporting date. The company's directors have concluded that this stock is still saleable and is valued in accordance with the stock accounting policy described above.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 25 (2019 - 25).

Ipsotek Limited

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

4 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2020	188,846	188,846
Additions	141,581	141,581
At 31 December 2020	330,427	330,427
Depreciation		
At 1 January 2020	167,207	167,207
Charge for the year	47,847	47,847
At 31 December 2020	215,054	215,054
Carrying amount		
At 31 December 2020	115,373	115,373
At 31 December 2019	21,639	21,639

5 Stocks

	2020 £	2019 £
Stock	94,158	208,399

6 Debtors

	2020 £	2019 £
Trade debtors	969,903	171,140
Other debtors	220,947	280,389
Total current trade and other debtors	1,190,850	451,529

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

7 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Bank loans and overdrafts	<u>8</u>	906,645	570
Trade creditors		285,024	608,777
Amounts owed to related parties	<u>9</u>	11,009,312	11,359,498
Taxation and social security		720,269	48,253
Other creditors		708,864	646,643
		13,630,114	12,663,741

Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	<u>8</u>	50,000	-

8 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Other borrowings	50,000	-

	2020 £	2019 £
Current loans and borrowings		
Bank overdrafts	500	570
Other borrowings	906,145	-
	906,645	570

Other borrowings

At the year end, Innovate UK Loans Limited holds a fixed and floating charge over the company, covering all the property and undertaking of the company.

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

9 Related party transactions

Related party transactions exemption

The company has taken advantage of the exemption in FRS 102 Section 33.1A from disclosing transactions with other wholly-owned members of the group.

Summary of transactions with other related parties

Dr K J Lomax through his services company Yarronbridge Limited invoiced £13,920 to Ipsotek Limited in the year. A net balance of £3,480 is owed to Yarronbridge Limited at the year end.

10 Parent and ultimate parent undertaking

Since the year end, Atos IT Services UK Limited, a company incorporated in the UK, acquired 100% of Ipsotek Holdings Limited share capital and became the company's immediate parent undertaking. The ultimate parent undertaking is Atos SE, a company incorporated in France.

The company's immediate parent is Ipsotek Holdings Limited, incorporated in UK.

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.