

Company registration number 03951260 (England and Wales)

INCA DIGITAL PRINTERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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INCA DIGITAL PRINTERS LIMITED

COMPANY INFORMATION

Directors	Mr V Wille Mr C Dewit	(Appointed 31 May 2022) (Appointed 2 February 2024)
Company number	03951260	
Registered office	515 Coldhams Lane Cambridge CB1 3JS	
Auditor	MHA Richard House 9 Winckley Square Preston PR1 3HP	

INCA DIGITAL PRINTERS LIMITED

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INCA DIGITAL PRINTERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Principal activities

The principal activity of the company during the year continued to be the development, manufacture and sale of inkjet printers and of components, consumables and subsystems of inkjet printers, and the provision of related technical services.

Business review, development and performance

Shortly after the start of the year the sale of the business to Agfa NV of Mortsel, Belgium was completed in May 2022. The sale of the business resulted in no new orders from Fujifilm with only existing orders at time of sales being fulfilled. There was then a brief lapse in the sale of new machines as sales were moved over to the Agfa network which results in a fall in sales for the year.

Customer support continued to convert customers' older machines but at a lower level than was completed in 2022.

The above factors led to a fall in sales of 19.6% (after group service charges). Despite the fall in sales operating profit increased by 122.1% due to the R&D agreement with the Agfa allowing the recharge of a proportion of the R&D expenditure.

All sales are now done through Agfa, both new machines and parts, so Inca's primary focus is now on building machines and on Research and Development.

The company has signed service agreements around Research and Development, Customer Support and Transfer Price Agreements with profit targets set to ensure profits each year.

INCA DIGITAL PRINTERS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks as follows:

Sales channel risks:

The company now sells all printers through Agfa NV rather than directly to end users and therefore the business is reliant on Agfa NV to bring new products to the market and to offer competitively priced and financed deals.

Competitive risks:

The company has seen sustained aggressive pricing from competitors that have continued to put pressure on gross margin. However, the company's reputation and platform productivity levels help to mitigate this. In addition to this, the company, alongside Agfa NV, continues to develop its after-market support team to further differentiate the brand.

Foreign exchange risks:

Whilst the company purchases a significant proportion of its component parts in USD from North America, the currency risk is mostly offset through Agfa NV's central treasury team and associated hedging transactions. For other currencies, all sales are now done through Agfa NV in GBP the company no longer has significant exchange risks.

Macroeconomic factors:

Global supply chains are continuing to struggle through 2023, leading to challenges in obtaining components for production and R&D. Following significant effort from Engineering and Operations, Inca has been able to sustain shipments of Onset printers and continue development of the SpeedSet printer despite this.

The UK's withdrawal from the EU continued to create additional work related to importing equipment from the UK for sale in the EU. Inca and Agfa NV's Logistics teams continue to work together to minimise any delays to customers' installations.

Key performance indicators

Below are the headline figures that the directors consider are the financial key performance indicators for the company:

	2023	2022
	£000	£000
Turnover	24,313	27,239
Gross profit	8,541	11,115
Gross profit margin	35.1%	40.8%
Operating profit/(loss)	924	416
Operating profit (excluding non-recurring costs)	4,080	1,910
Return on capital employed	5.4%	2.5%
Stock turnover days	173	222
Gross research and development expenditure	3,155	6,535
Net research and development expenditure (net of intercompany recharges)	1,974	4,521
Average number of employees	138	144

INCA DIGITAL PRINTERS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Other performance indicators

Given the straight-forward nature of the business, the company directors are of the opinion that analysis of non-financial performance indicators is not necessary to understand the performance, position or development of the company.

Note that net research and development expenditure represents the gross spend incurred by the company net of amounts recharged on to fellow subsidiaries.

Future developments

The company continued to implement the same strategy, developing the SpeedSet product for the packaging market, while sustaining the competitiveness of Onset X product family in the wide-format graphics market.

The long-term strategic goal for Inca and Agfa NV continues to be sustaining our revenues from the mature wide-format graphics market while building a business in the emerging inkjet packaging markets.

On behalf of the board

Vincent Wille

.....
Mr V Wille
Director

7/1/25
.....

INCA DIGITAL PRINTERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R Van Kerckhoven	(Appointed 31 May 2022 and resigned 2 February 2024)
Mr V Wille	(Appointed 31 May 2022)
Mr T Kakita	(Resigned 31 May 2022)
Mr S G Tunnincliffe-Wilson	(Resigned 31 December 2022)
Mr A Omoto	(Resigned 31 May 2022)
Mr D Tanaka	(Resigned 31 May 2022)
Mr M Takeuchi	(Resigned 31 May 2022)
Mr C Dewit	(Appointed 2 February 2024)

Political donations

The Company made no political donations or incurred any political expenditure during the year (2022: £nil).

Financial instruments

Financial instruments

The financial instruments used by the company arise wholly and directly from its trading activities. The financial instruments comprise trade debtors, cash at bank and trade creditors. The company has put in place the following measures to manage the financial risk from these financial instruments:

1. The company regularly monitors the level of debtors to ensure that they are kept at a reasonable level and within predetermined strict credit limit.
2. The company carefully manages its cash position by regularly reviewing its cash flow using cash flow forecasting.
3. The company regular monitors the trade balance and credit terms for all suppliers.

Auditor

MHA were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties and future developments.

INCA DIGITAL PRINTERS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Vincent Wille

.....
Mr V Wille
Director

7/1/25

Christophe Dewit

.....
Mr C Dewit
Director

INCA DIGITAL PRINTERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements 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 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.

INCA DIGITAL PRINTERS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF INCA DIGITAL PRINTERS LIMITED

Opinion

We have audited the financial statements of Inca Digital Printers Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

INCA DIGITAL PRINTERS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF INCA DIGITAL PRINTERS LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- Enquiries with management about any known or suspect instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to future performance of the company;
- Auditing the risk of fraud in revenue, including through the testing of the cut off of income at the year end and sales transaction testing to ensure we have evidence supporting occurrence, revenue is complete in the financial statements, and recognised in the correct accounting period.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business; and
- An evaluation of the company's internal control environment.

INCA DIGITAL PRINTERS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF INCA DIGITAL PRINTERS LIMITED (CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.



Paul Williams BA(Hons) FCA
Senior Statutory Auditor
For and on behalf of MHA, Statutory Auditor
Preston, United Kingdom

8/1/25

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

INCA DIGITAL PRINTERS LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £'000	2022 £'000
Revenue	3	24,313	27,239
Cost of sales		(15,772)	(16,124)
Gross profit		8,541	11,115
Research and development costs		(7,034)	(6,535)
Administrative expenses		(5,270)	(5,654)
Other operating income		7,843	2,984
Exceptional costs	4	(3,156)	(1,494)
Operating profit	5	924	416
Investment income	9	110	7
Finance costs	10	(65)	(12)
Profit before taxation		969	411
Tax on profit	11	(270)	(13)
Profit for the financial year		699	398

The income statement has been prepared on the basis that all operations are continuing operations.

INCA DIGITAL PRINTERS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	13		1,004		676
Current assets					
Inventories	14	9,104		9,806	
Trade and other receivables	15	12,701		7,046	
Cash and cash equivalents		1,630		9,523	
		<u>23,435</u>		<u>26,375</u>	
Current liabilities	16	<u>(7,290)</u>		<u>(10,661)</u>	
Net current assets			16,145		15,714
Total assets less current liabilities			17,149		16,390
Provisions for liabilities					
Provisions	17	115		125	
Deferred tax liability	18	115		45	
		<u></u>	(230)	<u></u>	(170)
Net assets			<u>16,919</u>		<u>16,220</u>
Equity					
Called up share capital	20		604		604
Share premium account	21		8,657		8,657
Retained earnings	21		7,658		6,959
Total equity			<u>16,919</u>		<u>16,220</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 7/1/25 and are signed on its behalf by:

Vincent Wille

Mr V Wille
Director

Christophe Dewit

Mr C Dewit
Director

Company registration number 03951260 (England and Wales)

INCA DIGITAL PRINTERS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2021		604	8,657	6,660	15,921
Year ended 31 March 2022:					
Profit and total comprehensive income		-	-	398	398
Dividends	12	-	-	(99)	(99)
Balance at 31 March 2022		604	8,657	6,959	16,220
Year ended 31 March 2023:					
Profit and total comprehensive income		-	-	699	699
Balance at 31 March 2023		604	8,657	7,658	16,919

INCA DIGITAL PRINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Inca Digital Printers Limited is a private company limited by shares incorporated in England and Wales. The registered office is 515 Coldhams Lane, Cambridge, CB1 3JS.

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.

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 £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

At the balance sheet date the Company's parent undertaking, Agfa Gevaert N.V. included the Company in its consolidated financial statements. The consolidated statements of Agfa Gevaert N.V. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from <http://www.agfa.com> under the investor relations pages.

INCA DIGITAL PRINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.2 Going concern

The directors acknowledge their responsibility with respect to going concern and have appropriately considered the Company's risks and uncertainties, as fully described in the Strategic Report. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

On 30 May 2022 Agfa NV, a company incorporated in Belgium, completed the acquisition of 100% of the shareholding of Inca Digital Printers Limited. From this date Inca Digital Printers Limited became a consolidated subsidiary of Agfa NV. Agfa NV had no transactions with Inca Digital Printers Limited prior to the date of acquisition.

Agfa NV operates in the same key markets as Inca Digital Printers Limited and expects to realise future growth through the current Inca product portfolio and future technologies being advanced by the research and development team. This coupled with Agfa NV's expertise in multiple digital inkjet markets and their ability to offer the "full solution" to the end customer through their own sales, service, software and ink divisions will provide benefit to the market through highly competitive cost of ownership positions.

The Cambridge site continues to play an important role in the research and development, manufacture and support of the group product portfolio. As part of the integration the Cambridge site has taken the opportunity to align with Agfa's global compliance model, with Supply and Service agreements and recharges underpinning this. Therefore, the company will meet its day to day working capital requirements from operational cash flows and trading balances with the group headed by Agfa NV, the ultimate parent company.

Agfa NV has indicated its intention to continue to make available such funds as are needed by the Company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue at the date of approval of these financial statements but remain confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

INCA DIGITAL PRINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.3 Revenue

Turnover is measured at the fair value of the consideration received or receivable for products sold or services provided during the year, net of discounts and VAT.

Turnover from the sales of goods is recognised upon despatch for spare parts and consumables or in accordance with the performance of contractual obligations upon delivery equipment, which is when the risks and rewards of ownership are deemed to have transferred. This results in the deferral of certain revenues where the company has an ongoing liability to install a machine. Provisions for the estimated future cost of warranty, product return and training costs are accrued upon machine recognition.

Turnover from services is recognised over time when the conditions in the contract for services have been satisfied over time and no further obligations remain. Service revenue billed, or collected, but unearned is included on the balance sheet as deferred income.

Turnover from the long-term R&D contracts is recognised on the basis of progress, using the Percentage of Completion method, over the period of that project. Under this method, costs, turnover and margins are recognised based on the progress of production. The stage of completion is the ratio between costs incurred at the measurement date and the total expected costs for the programme. The valuations reflect the best estimate prepared at the reporting date. The assumptions upon which the valuations are made are periodically updated. Any impact on profit or loss is recognised in the period in which the updates are made. In the event the completion of a contract is expected to result in a loss at the gross margin level, the loss is recognised in its entirety in the period in which it becomes reasonably foreseeable. Other income relates to ink royalty for which revenue is recognised when the conditions in the contract for services have been satisfied over time and no further obligations remain.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

1.4 Property, plant and equipment

Property, plant and equipment 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:

Plant and equipment	5 years straight line
Fixtures and fittings	3 years straight line

1.5 Impairment of non-current assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

INCA DIGITAL PRINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.6 Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Other financial instruments are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

INCA DIGITAL PRINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income and retained earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.10 Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in the statement of income and retained earnings unless the provision was recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as interest payable and similar charges in the statement of income and retained earnings in the year it arises.

1.11 Retirement benefits

Contributions to defined contribution plans are recognised as an expense in the year in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

INCA DIGITAL PRINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.12 Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

1.13 Foreign exchange

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of income and retained earnings.

1.14 Research and development expenditure

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock provision

The directors estimate a provision against the carrying value of stock based on historical stock movements. The estimate is applied based on prescription of the Group policy which takes a cautious approach to overall stock valuation. That said, changes in this estimate could result in a change in cost of sales and the carrying value of stock at the year end.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Long term contracts

The Company recognises turnover on long term contracts using the Percentage of Completion method. Margins recognised in profit and loss are a function of both the state of progress on contracts and the margins that are expected to be recognised for the completed contract. Accordingly, recognition of amounts due from customers, deferred income and margins on contracts that have not yet been completed requires management to make a careful estimate of the final costs and expected increases as well as delays, extra costs and penalties that could reduce the expected margin. The amounts recognised in the financial statements represent management's best estimate at the reporting date using these procedures.

INCA DIGITAL PRINTERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023**

3 Revenue	2023	2022
	£'000	£'000
Revenue analysed by class of business		
Sales of goods	18,333	20,360
Provisions of services	3,435	2,519
Long-term R&D contracts	47	3,842
Agfa service revenue	2,414	-
Other	84	518
	<u>24,313</u>	<u>27,239</u>
	2023	2022
	£'000	£'000
Revenue analysed by geographical market		
United Kingdom	2,473	4,138
European Union	13,100	8,636
North America	7,418	8,387
Rest of World	1,322	6,078
	<u>24,313</u>	<u>27,239</u>
	2023	2022
	£'000	£'000
Other revenue		
Interest income	110	7
Intercompany recharges for R&D and administration	-	2,984,000
	<u>-</u>	<u>2,984,000</u>
4 Exceptional items	2023	2022
	£'000	£'000
Expenditure		
Strategic restructuring costs	251	(41)
ERP project implementation costs	691	657
Stock rationalisation	-	878
Discontinued products	2,214	-
	<u>3,156</u>	<u>1,494</u>

INCA DIGITAL PRINTERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****(Continued)****4 Exceptional items**

The Directors believe it necessary to show non-recurring costs separately to assess the financial performance of the business and these fall into three main categories across recent financial years.

During the previous financial year, the company undertook a significant project to replace the existing MRP system with a full Enterprise Resource Planning (ERP) system, integrating operations and processes across the business into a single, unified system. The platform was to be cloud-hosted by a third-party provider, so the implementation costs were not eligible for capitalisation as the company is not deemed to directly control and thus are shown separately in the statement of income. Following the acquisition by Agfa NV during the current year, this project was stopped to allow future alignment and integration with Agfa NV's systems and providers. Further costs are released in the current period.

Agfa NV also completed a strategic review of the product portfolio, and it was decided to focus solely on the established Onset X series and future SpeedSet platform. This resulted in a rationalisation of stock lines and a provision against older items. Part of this provision was reflected in the acquisition agreement between Agfa NV and Screen Graphic Solutions Co. Limited and therefore included in the results for the previous year.

During the current year a decision was made to discontinue a product line resulting in the write down of certain stock lines which is reflected as an exceptional costs.

A further exceptional cost line is shown for strategic restructuring costs relating to the Agfa NV acquisition of the company.

5 Operating profit

	2023	2022
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(18)	(45)
Depreciation of owned property, plant and equipment	230	186
(Profit)/loss on disposal of property, plant and equipment	-	26
Operating lease charges	818	427
	<u> </u>	<u> </u>

6 Auditor's remuneration

	2023	2022
	£'000	£'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	39	85
Audit of the financial statements of the company's subsidiaries	-	78
	<u> </u>	<u> </u>
	39	163
	<u> </u>	<u> </u>
For other services		
All other non-audit services	3	-
	<u> </u>	<u> </u>

INCA DIGITAL PRINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Research and development	45	46
Administrative staff	36	39
Production staff	22	23
Customer support staff	35	36
	<u> </u>	<u> </u>
Total	138	144
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	7,103	8,174
Social security costs	765	701
Pension costs	647	619
	<u> </u>	<u> </u>
	8,515	9,494
	<u> </u>	<u> </u>

8 Directors' remuneration

	2023 £'000	2022 £'000
Remuneration for qualifying services	419	374
Company pension contributions to defined contribution schemes	14	19
	<u> </u>	<u> </u>
	433	393
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £'000	2022 £'000
Remuneration for qualifying services	408	299
Company pension contributions to defined contribution schemes	14	19
	<u> </u>	<u> </u>

Directors remuneration included termination payments of £148k (2022: £nil).

INCA DIGITAL PRINTERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

9 Investment income	2023	2022
	£'000	£'000
Interest income		
Interest on bank deposits	11	7
Interest receivable from group companies	99	-
	<u> </u>	<u> </u>
Total income	110	7
	<u> </u>	<u> </u>
10 Finance costs	2023	2022
	£'000	£'000
Interest on bank overdrafts and loans	1	-
Interest payable to group undertakings	64	12
	<u> </u>	<u> </u>
	65	12
	<u> </u>	<u> </u>
11 Taxation	2023	2022
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	183	13
Adjustments in respect of prior periods	17	-
	<u> </u>	<u> </u>
Total current tax	200	13
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	70	-
	<u> </u>	<u> </u>
Total tax charge	270	13
	<u> </u>	<u> </u>

INCA DIGITAL PRINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Taxation **(Continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£'000	£'000
Profit before taxation	969	411
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	184	78
Tax effect of expenses that are not deductible in determining taxable profit	4	-
Research and development tax credit	2	-
Adjustments in tax charge in respect of previous periods	-	1
Other tax adjustments	80	(66)
	<u> </u>	<u> </u>
Taxation charge for the year	270	13
	<u> </u>	<u> </u>

The current UK corporate tax rate that has been used for the period is 19% (2021: 19%). The UK Government announced an increase in the corporation tax rate from 19% to 25% (effective from 1 April 2023), which was substantively enacted on 24 May 2021.

12 Dividends

	2023	2022
	£'000	£'000
Final paid	-	99
	<u> </u>	<u> </u>

INCA DIGITAL PRINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Property, plant and equipment

	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 April 2022	5,554	509	6,063
Additions	531	27	558
At 31 March 2023	<u>6,085</u>	<u>536</u>	<u>6,621</u>
Depreciation and impairment			
At 1 April 2022	4,939	448	5,387
Depreciation charged in the year	201	29	230
At 31 March 2023	<u>5,140</u>	<u>477</u>	<u>5,617</u>
Carrying amount			
At 31 March 2023	<u>945</u>	<u>59</u>	<u>1,004</u>
At 31 March 2022	<u>615</u>	<u>61</u>	<u>676</u>

14 Inventories

	2023 £'000	2022 £'000
Raw materials and consumables	4,058	3,130
Work in progress	1,276	1,713
Finished goods and goods for resale	3,770	4,963
	<u>9,104</u>	<u>9,806</u>

15 Trade and other receivables

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade receivables	2,439	4,014
Corporation tax recoverable	-	408
Amounts owed by group undertakings	8,567	944
Other receivables	743	517
Prepayments and accrued income	952	1,163
	<u>12,701</u>	<u>7,046</u>

INCA DIGITAL PRINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Current liabilities

	2023 £'000	2022 £'000
Trade payables	5,615	4,114
Amounts owed to group undertakings	-	2,162
Corporation tax	183	-
Accruals and deferred income	1,492	4,385
	<u>7,290</u>	<u>10,661</u>

17 Provisions for liabilities

	2023 £'000	2022 £'000
Warranty provision	<u>115</u>	<u>125</u>
Movements on provisions:		Warranty provision £'000
At 1 April 2022		125
Utilisation of provision		(10)
At 31 March 2023		<u>115</u>

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £'000	Liabilities 2022 £'000
Balances:		
Accelerated capital allowances	139	62
Pension benefit obligations	-	(17)
Retirement benefit obligations	(24)	-
	<u>115</u>	<u>45</u>

INCA DIGITAL PRINTERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

18	Deferred taxation	(Continued)
		2023
	Movements in the year:	£'000
	Liability at 1 April 2022	45
	Charge to profit or loss	70
	Liability at 31 March 2023	<u>115</u>

19	Retirement benefit schemes	2023	2022
	Defined contribution schemes	£'000	£'000
	Charge to profit or loss in respect of defined contribution schemes	<u>647</u>	<u>619</u>

20	Share capital	2023	2022	2023	2022
	Ordinary share capital	Number	Number	£'000	£'000
	Issued and fully paid				
	Ordinary shares of 1p each	<u>60,431,665</u>	<u>60,431,665</u>	<u>604</u>	<u>604</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

21 Reserves**Share premium**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Retained earnings

This reserve records retained earnings and accumulated losses.

22 Operating lease commitments**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£'000	£'000
Within one year	801,025	801,025
Between two and five years	3,204,100	4,007,320
In over five years	3,047,913	3,052,601
	<u>7,053,038</u>	<u>7,860,946</u>

INCA DIGITAL PRINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

23 Related party transactions

In accordance with paragraph 33.1A of FRS 102 the company has claimed exemption from disclosing transactions and balances with fellow group companies.

24 Ultimate controlling party

At 31 March 2023 the immediate parent undertaking was Agfa N.V., incorporated and registered in Belgium.

The ultimate parent undertaking is Agfa -Gevaert N.V.

The largest group in which the results of the Company are consolidated is that headed by Agfa-Gevaert N.V. Copies of the group financial statements for Agfa Gevaert N.V. are available from the company's registered office at:

Agfa -Gevaert N.V.
Septestraat 27
2640 Mortsel
Belgium

The smallest group in which the results of the Company are consolidated is that headed by Agfa N.V. Copies of the group financial statements for Agfa N.V. are available from that company's registered office at:

Agfa N.V.
Septestraat 27
2640 Mortsel
Belgium