

Ipsotek Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2021

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 Mr J Sandrini Mr P C Van Doren
Company secretary	D S Sakbun
Registered office	Tuition House 27-37 St Georges Road Wimbledon SW19 4EU
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 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>4</u>	103,113	115,373
Current assets			
Stocks	<u>5</u>	104,895	94,158
Debtors	<u>6</u>	1,655,061	1,190,851
Cash at bank and in hand		<u>937,743</u>	<u>1,462,309</u>
		2,697,699	2,747,318
Creditors: Amounts falling due within one year	<u>7</u>	<u>(12,559,458)</u>	<u>(13,630,115)</u>
Net current liabilities		<u>(9,861,759)</u>	<u>(10,882,797)</u>
Total assets less current liabilities		(9,758,646)	(10,767,424)
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(50,000)</u>	<u>(50,000)</u>
Net liabilities		<u>(9,808,646)</u>	<u>(10,817,424)</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		<u>(9,809,646)</u>	<u>(10,818,424)</u>
Shareholders' deficit		<u>(9,808,646)</u>	<u>(10,817,424)</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 22 December 2022 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 2021

1 General information

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

The address of its registered office is:
Tuition House
27-37 St Georges Road
Wimbledon
SW19 4EU

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.

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 23 December 2022 was James Syree BSc ACA, who signed for and on behalf of Ballards LLP.

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 2021

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 2021

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 2021

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 27 (2020 - 25).

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Notes to the Financial Statements for the Year Ended 31 December 2021

4 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2021	330,427	330,427
Additions	55,921	55,921
Disposals	(166,744)	(166,744)
	219,604	219,604
At 31 December 2021	219,604	219,604
Depreciation		
At 1 January 2021	215,054	215,054
Charge for the year	68,181	68,181
Eliminated on disposal	(166,744)	(166,744)
	116,491	116,491
At 31 December 2021	116,491	116,491
Carrying amount		
At 31 December 2021	103,113	103,113
At 31 December 2020	115,373	115,373

5 Stocks

	2021 £	2020 £
Stock	104,895	94,158

6 Debtors

	2021 £	2020 £
Trade debtors	748,695	969,903
Other debtors	906,366	220,948
	1,655,061	1,190,851
Total current trade and other debtors	1,655,061	1,190,851

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Notes to the Financial Statements for the Year Ended 31 December 2021

7 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Bank loans and overdrafts	<u>8</u>	480	906,645
Trade creditors		125,521	285,024
Amounts owed to related parties	<u>10</u>	11,337,745	11,009,312
Taxation and social security		111,561	720,269
Other creditors		984,151	708,865
		12,559,458	13,630,115

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	<u>8</u>	50,000	50,000

8 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Other borrowings	50,000	50,000

	2021 £	2020 £
Current loans and borrowings		
Bank overdrafts	480	500
Other borrowings	-	906,145
	480	906,645

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £295,815 (2020 - £Nil).

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Notes to the Financial Statements for the Year Ended 31 December 2021

10 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.

11 Parent and ultimate parent undertaking

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.