

**COMPANY REGISTRATION NUMBER: 08594313**

**EkkoSense Ltd**  
**Filleted Financial Statements**  
**For the year ended**  
**31 December 2021**

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# EkkoSense Ltd

## Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	5	666,859	429,950
Tangible assets	6	28,044	32,487
Investments	7	300	300
		<u>695,203</u>	<u>462,737</u>
<b>Current assets</b>			
Stocks		784,303	636,671
Debtors: due within one year	8	1,047,711	980,540
Debtors: due after more than one year	8	543,816	117,838
Cash at bank and in hand		488,514	944,756
		<u>2,864,344</u>	<u>2,679,805</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,914,563)</u>	<u>(1,028,487)</u>
<b>Net current assets</b>		<u>949,781</u>	<u>1,651,318</u>
<b>Total assets less current liabilities</b>		<u>1,644,984</u>	<u>2,114,055</u>
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(4,474,151)</u>	<u>(3,880,415)</u>
<b>Provisions</b>			
Taxation including deferred tax		<u>(171,968)</u>	<u>(87,863)</u>
<b>Net liabilities</b>		<u>(3,001,135)</u>	<u>(1,854,223)</u>
<b>Capital and reserves</b>			
Called up share capital		379	379
Share premium account		779,511	779,511
Profit and loss account		<u>(3,781,025)</u>	<u>(2,634,113)</u>
<b>Shareholders deficit</b>		<u>(3,001,135)</u>	<u>(1,854,223)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The statement of financial position  
continues on the following page.

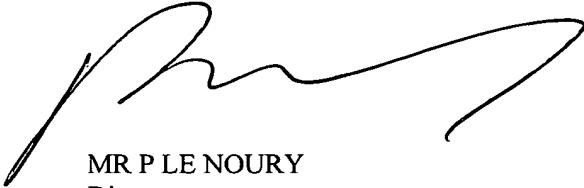
**The notes on pages 3 to 10 form part of these financial statements.**

# **EkkoSense Ltd**

## **Statement of Financial Position *(continued)***

**31 December 2021**

These financial statements were approved by the board of directors and authorised for issue on 7 April 2022, and are signed on behalf of the board by:



MR P LE NOURY  
Director

Company registration number: 08594313

**The notes on pages 3 to 10 form part of these financial statements.**

# **EkkoSense Ltd**

## **Notes to the Financial Statements**

**Year ended 31 December 2021**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Tower House, Lucy Tower Street, Lincoln, Lincolnshire, LN1 1XW.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

At the year-end, the balance sheet shows an overall deficit because of long term shareholder loans, but demonstrates a Net Current Assets position. The directors have received confirmation of continued financial support based on the contracted repayment terms of shareholders loans.

Furthermore, the directors continue to review its business continuity plans and forecasts resulting from uncertainty and disruption to business due to the COVID-19 pandemic and other current economic circumstances. Under that basis, the directors remain confident that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors consider that it is appropriate to prepare the financial statements on the going concern basis.

#### **Consolidation**

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

# **EkkoSense Ltd**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 December 2021**

#### **3. Accounting policies *(continued)***

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that may have an effect on the carrying amounts of assets and liabilities include:

Intangible fixed assets are recognised at cost less accumulated amortisation and any impairments. Amortisation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the company's intangible fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

Tangible fixed assets are recognised at cost less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the company's tangible fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done or service provided in the year. Turnover and expenditure in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

The carrying value of stock and associated provisioning is considered on a regular basis. When calculating the stock provision, the directors consider the stock cost, its age and the nature of stock items.

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

# EkkoSense Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2021

#### 3. Accounting policies *(continued)*

##### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, 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 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 is recognised in respect of all material 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.

##### **Foreign currencies**

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 profit and loss account.

##### **Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

##### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Development costs - straight line over 5 years

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.

# **EkkoSense Ltd**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 December 2021**

#### **3. Accounting policies *(continued)***

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	straight line over 3 years
Equipment	-	straight line over 4 years

##### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

##### **Impairment of fixed 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.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

# EkkoSense Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2021

#### 3. Accounting policies *(continued)*

##### 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.

Debt instruments are subsequently measured at amortised cost.

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.

#### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 30 (2020: 26).

#### 5. Intangible assets

	<b>Development costs £</b>
<b>Cost</b>	
At 1 January 2021	499,103
Additions	372,462
<b>At 31 December 2021</b>	<u>871,565</u>
<b>Amortisation</b>	
At 1 January 2021	69,153
Charge for the year	135,553
<b>At 31 December 2021</b>	<u>204,706</u>
<b>Carrying amount</b>	
<b>At 31 December 2021</b>	<u>666,859</u>
At 31 December 2020	<u>429,950</u>

# EkkoSense Ltd

## Notes to the Financial Statements *(continued)*

**Year ended 31 December 2021**

### 6. Tangible assets

	Plant and machinery £	Equipment £	Total £
<b>Cost</b>			
At 1 January 2021	42,690	29,258	<b>71,948</b>
Additions	2,913	13,114	<b>16,027</b>
Disposals	–	(1,530)	<b>(1,530)</b>
<b>At 31 December 2021</b>	<u>45,603</u>	<u>40,842</u>	<u><b>86,445</b></u>
<b>Depreciation</b>			
At 1 January 2021	21,387	18,074	<b>39,461</b>
Charge for the year	12,721	7,680	<b>20,401</b>
Disposals	–	(1,461)	<b>(1,461)</b>
<b>At 31 December 2021</b>	<u>34,108</u>	<u>24,293</u>	<u><b>58,401</b></u>
<b>Carrying amount</b>			
<b>At 31 December 2021</b>	<u>11,495</u>	<u>16,549</u>	<u><b>28,044</b></u>
At 31 December 2020	<u>21,303</u>	<u>11,184</u>	<u>32,487</u>

### 7. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	<u><b>300</b></u>
<b>Impairment</b>	
At 1 January 2021 and 31 December 2021	<u><b>–</b></u>
<b>Carrying amount</b>	
<b>At 31 December 2021</b>	<u><b>300</b></u>
At 31 December 2020	<u>300</u>

At both year-ends, the balance relates to investments in dormant companies.

# EkkoSense Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### 8. Debtors

Debtors falling due within one year are as follows:

	2021	2020
	£	£
Trade debtors	249,050	238,079
Amounts owed by group undertakings and undertakings in which the company has a participating interest	114,811	–
Other debtors	683,850	742,461
	<u>1,047,711</u>	<u>980,540</u>

Debtors falling due after one year are as follows:

	2021	2020
	£	£
Other debtors	<u>543,816</u>	<u>117,838</u>

### 9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Other loans	500,000	–
Trade creditors	231,814	223,448
Amounts owed to group undertakings	300	300
Accruals	146,863	135,821
Deferred income	805,340	617,940
Social security and other taxes	70,566	43,901
B shareholder loan notes	96,000	–
C shareholder loan notes	55,520	–
Other creditors	8,160	7,077
	<u>1,914,563</u>	<u>1,028,487</u>

B shareholder loan notes and C shareholder loan notes are due for final redemption in 2026. Under the original terms of the B shareholder loan note and C shareholder loan note agreements, redemption will be by quarterly instalments totalling £37,880 commencing in March 2022. After the year-end, an agreement has been signed to extend the redemption commencement date to March 2023.

### 10. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other loans	500,000	–
A shareholder loan notes	800,000	800,000
B shareholder loan notes	384,000	480,000
C shareholder loan notes	222,080	277,600
D shareholder loan notes	400,000	400,000
Other shareholder loan note balances	1,457,008	1,361,248
Deferred income	711,063	561,567
	<u>4,474,151</u>	<u>3,880,415</u>

# EkkoSense Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2021

#### 10. Creditors: amounts falling due after more than one year *(continued)*

Other loans are secured by a debenture in favour of the lender and a shareholder guarantee.

A shareholder loan notes with a value of £800,000 are due for redemption in 2024.

B shareholder loan notes with a value of £480,000 are due for final redemption in 2026 and C shareholder loan notes with a value of £277,600 are due for final redemption in 2026. Under the terms of the B shareholder loan note and C shareholder loan note agreements, redemption will be by quarterly instalments totalling £37,880 commencing in March 2022.

D shareholder loan notes with a value of £400,000 are due for redemption in 2024.

Early redemption is permitted under the terms of the agreements. Shareholder loan notes carry interest at a rate of 10%.

Of the total value of the shareholder loan notes, £1,557,600 is secured by fixed and floating charges over the assets of the company.

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2020: £151,520) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

#### 11. Summary audit opinion

The auditor's report for the year dated 27/7/22 was unqualified.

The senior statutory auditor was Robert Anderson, for and on behalf of Streets Audit LLP.

#### 12. Directors' advances, credits and guarantees

There were no directors advances or credits during the year.

3 of the directors have provided personal guarantees and indemnities limited to the value of £33,333 in respect of other loans.

#### 13. Related party transactions

During the year, the company was under the control of its directors.

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 Section 1A.