

SOLOPROTECT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

SOLOPROTECT LIMITED

COMPANY INFORMATION

DIRECTORS

G K Broady
S Hough
G V Broady
A Melucci

COMPANY SECRETARY

A Melucci

REGISTERED NUMBER

05003084

REGISTERED OFFICE

Suzy Lamplugh House
1 Vantage Drive
Tinsley
Sheffield
S9 1RG

INDEPENDENT AUDITORS

Simmons Gainsford LLP
Chartered Accountants & Statutory Auditors
14th Floor
33 Cavendish Square
London
W1G 0PW

SOLOPROTECT LIMITED

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction

The directors present their report and the financial statements for the year ended 31 December 2021.

Business review

Consolidated sales in the year were £7,210,582 (2020: £7,790,364), loss before tax was £702,598 (2020: loss of £385,492) and net loss for the financial year was £382,005 (2020: - £215,530).

Consolidated revenue year on year decreased by approximately 7.4%, most of the reduction being attributable to channel sales volumes in comparison with 2020. Direct sales increased by approximately 1.4% in UK and 3% in EU. European revenue growth arises from an increase in direct sales, the principal markets served being Netherlands, Germany and France.

As in previous years, 2021 saw the business continue to invest in new next generation products which saw the delivery of the first 4G lone worker / personal safety devices. This has been well received by customers, seeing the benefit of a range of future-proofed devices and the security of their investment with SoloProtect personal safety solutions, well ahead of the future planned 2G cellular network shutdown. Customer satisfaction and net promoter score has continued to go from strength to strength.

The company's purpose built EN50518 compliant Alarm Receiving Centre ("ARC") remains firmly established with exceptionally high levels of customer service delivery being achieved regularly and consistently. Diversification of the use of this exceptional asset, through the inclusion of other alarm types, benefiting from automated handling, have already been implemented. This has created a solid platform on which we will build on these types of monitoring services for the future, while always maintaining our core focus on lone worker safety alarm handling.

Our ARC Operators continue to deliver exceptional levels of customer service and industry leading response times. The ARC and the market's desire for the highest level of available accreditation remains a major benefit for us and one that is highly defensible, particularly since we are only one of a handful of UK ARC's with EN50518 accreditation. We also continue to support most of our European based contracts using our UK based ARC infrastructure, giving us greater control over quality of service and data reporting for our customers.

Investment continues in our customer workforce safety management platform ("SoloProtect Insights"), enhancing functionality in line with our product developments and continuing our strategy to harmonise other associated systems into the most convenient "one stop shop" platform for our current and prospective customers.

Customers continue to benefit from our ownership and control of the end-to-end elements of our solutions and service.

Our EU markets grew as a result of increased investment in sales and marketing earlier in 2021. A revised focus & targeting of specific market verticals led to some higher value opportunities being generated, supporting the growth of the EU sales pipeline. Additional investment in EU Account Management in the latter half of 2021 will also see EU customer retention & expansion benefits.

Covid-19 clearly hit many businesses operationally, however SoloProtect responded by continuing to help customers identify where their lone worker or worker safety risks had moved to, rather than be eliminated as a result of lockdowns & changes to customer business practices. SoloProtect continued to benefit from these opportunities allowing us to maintain broadly similar levels of new sales as in previous years. Costs were also controlled well during the pandemic period which also supported our overall performance. We also acted decisively throughout the pandemic, through a defined action plan, to ensure the protection and welfare of our greatest assets, our employees. In turn, this has ensured that we have been able to remain fully staffed & operational as usual throughout the pandemic period.

SOLOPROTECT LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Consequently, given the company's resilience to the impacts of Covid-19, the Directors believe that SoloProtect Limited continues to be a going concern.

2021 was another year of continued investment in product development and focus on our customers, and despite the many challenges of COVID, has allowed us to progress our plans to complete new products and services in 2021/2022, ensuring we remain responsive to the needs of our customers.

Principal risks and uncertainties

The UK lone worker security industry is highly competitive and price competition may impact our ability to maintain our customer contracts after their initial term. SoloProtect seeks to combat this risk with a continual investment and development of innovative product and services that directly appeal to customers, their businesses and to meet their challenges.

The company's growth in European markets carries some risk relating to the uncertainty of how health & safety legislation in those markets is maintained, developed and enforced. SoloProtect relies to some degree on its customers appreciating their own risks relating to not protecting their lone or mobile workers. Strong legislation backed by clear evidence of fines, insurance costs, impact on staff wellbeing, increased awareness of risk in general and potential corporate of reputational brand damage are all factors that help development of the market.

The company depends on a third party contract manufacturer for the production of most products. If there are any delays, disruption or quality control issues in their operations, the company could lose market share and revenues, and our reputation may be harmed. SoloProtect has processes in place to minimise this risk with close and regular engagement/management with that supplier.

Financial risk management objectives and policies

Cash flow risk and price risk exist for the business. Building new recurring revenues consumes capital, both to fund the costs of customer acquisition and the cost of hardware which the client then repays over a contracted term (typically 36 months). SoloProtect is keen to grow strong new sales whilst maintaining positive operational cash flows by through careful cost management and a focus on minimising the loss of contracts.

Price risk

Price risk is as noted above. Often at the end of a client contract term, that client will look back out to market and seek to tender or re quote. Our job is to maintain these clients by demonstrating that SoloProtect offers them best value and a genuine focus on their staff safety.

Currency risk

SoloProtect invoices its customers in either GBP or Euro. The company also procures components and product in USD. As a result, the company is exposed to currency fluctuation risks. Whilst many currency transactions are carried out by the US based parent company and EU based subsidiary, SoloProtect Limited is subject to the impact of exchange rate fluctuations on amounts owed to and from these group entities. Regular review and monitoring of currency denominated liabilities and exchange rates informs our decision making to minimise the impact of currency fluctuations.

Credit risk

The Company's credit risk is primarily attributable to its trade debtors. If a new customer's financial standing is of concern, appropriate credit checks are carried out. The amounts presented in the balance sheet are net of allowances for doubtful debtors. The Company has no significant concentration of credit risk, with exposure spread over a large number of countries and customers.

SOLOPROTECT LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Financial key performance indicators

The Company uses the following key performance indicators to measure its financial performance:

	2021	2020	Variance
	£	£	%
Turnover	7,210,582	7,790,364	(7)
Gross profit	5,871,430	5,907,846	(1)
Loss before tax	(702,598)	(385,492)	(82)

Other key performance indicators

In addition to the financial key performance indicators above, the Company has also used other key performance indicators including:

- Average Revenue per User (ARPU) - this is the average value across the estate that we are billing at each month.
- Average contract length - SoloProtect is able to offer contracts on 12, 24, 36, 48 and 60 month terms. We track the average term across all contracts and are always looking to see this increase.
- Attrition rate.
- Average debtor days.

This report was approved by the board and signed on its behalf.

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S Hough
Director

Date: 23 December 2022

SOLOPROTECT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of helping businesses and their organisations ensure the safety of their lone working employees.

RESULTS AND DIVIDENDS

The Group's results are shown in the Consolidated Statement of Comprehensive Income on page 10 of these financial statements.

The loss for the year, after taxation, amounted to £382,005 (2020 - loss £215,350).

During the year the company paid no dividends (2020: £nil).

DIRECTORS

The directors who served during the year were:

G K Broady
T Maw (resigned 22 December 2021)
S Hough
G V Broady
M Wangsmo (resigned 21 October 2022)
A Melucci (appointed 22 December 2021)

SOLOPROTECT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

GOING CONCERN AND COVID-19

Refer to information provided in the Strategic Report on the directors assessment of current and post year end impact of Covid-19 on the company.

AUDITORS

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
S Hough
Director

Date: 23 December 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLOPROTECT LIMITED

OPINION

We have audited the financial statements of Soloprotect Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of 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 Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

SOLOPROTECT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLOPROTECT LIMITED (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 set out on page 4, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLOPROTECT LIMITED (CONTINUED)

AUDITORS' 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 Auditors' 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 Group 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

- the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
- the nature of the company, including its management structure and control systems (including the opportunity for management to override such controls);
- management's incentives and opportunities for fraudulent manipulation of the financial statements including the company's remuneration and bonus policies and performance targets; and
- the industry and environment in which it operates

We also considered UK tax legislation, laws and regulations relating to employment, pension legislation and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the entity:

- laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law, tax legislation, pension legislation and distributable profits legislation;
- the timing of the recognition of income;
- compliance with legislation relating to UK employment law, GDPR and health and safety;
- management bias in selecting accounting policies and determining estimates;
- use of journal entries;
- manipulation of specific performance measures to meet remuneration targets;
- requirement to impair its inventories, intangibles and tangible fixed assets;
- recoverability of debtors, including intercompany debtors; and
- understatement of liabilities and provisions

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims;
- discussion with the same regarding any known or suspected instances of non-compliance with laws and regulation and fraud;

SOLOPROTECT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLOPROTECT LIMITED (CONTINUED)

- inspection of relevant legal correspondence;
- assessment of matters reported to management and the result of the subsequent investigation;
- obtaining an understanding of the relevant controls;
- obtaining an understanding of the policies and controls over the recognition of income and testing their implementation during the year;
- review documentation relating to compliance with the regulations relating to GDPR, Health and Safety and fire risk assessment reports;
- challenging key assumptions made by management in their specific accounting policies and estimates, in particular in relation to amortisation of intangible fixed assets, depreciation of tangible fixed assets and accruals;
- identifying and testing journal entries, in particular any unusual journal entries and non-standard journal entries;
- assessing the recovery of debtors, including intercompany debtors, in the period since the balance sheet date and challenging assumptions made by management regarding the recovery of balances which remain outstanding;
- assessing the completeness of material trade and other payables, including provisions;
- reviewing the financial statements for compliance with the relevant disclosure requirements;
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movements in account balances which may be indicative of fraud;
- reviewing the correspondence with HMRC; and
- evaluating the underlying business reasons for any unusual transactions.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

SOLOPROTECT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLOPROTECT LIMITED (CONTINUED)

USE OF OUR REPORT

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

Rajiv Thakerar (Senior Statutory Auditor)

for and on behalf of
Simmons Gainsford LLP

Chartered Accountants
Statutory Auditors

14th Floor
33 Cavendish Square
London
W1G 0PW

23 December 2022

SOLOPROTECT LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	7,210,582	7,790,364
Cost of sales		(1,339,152)	(1,882,518)
Gross profit		<u>5,871,430</u>	<u>5,907,846</u>
Administrative expenses		(6,517,261)	(6,264,462)
Other operating income	5	12,316	35,385
Operating loss	6	<u>(633,515)</u>	<u>(321,231)</u>
Interest payable and similar expenses	10	(69,083)	(64,261)
Loss before taxation		<u>(702,598)</u>	<u>(385,492)</u>
Tax on loss	11	320,593	170,142
Loss for the year		<u><u>(382,005)</u></u>	<u><u>(215,350)</u></u>
Exchange gain arising from translation in foreign subsidiary		3,627	4,429
Total comprehensive income for the year		<u><u>(378,378)</u></u>	<u><u>(210,921)</u></u>
(Loss) for the year attributable to:			
Owners of the parent Company		<u><u>(382,005)</u></u>	<u><u>(215,350)</u></u>

The notes on pages 20 to 42 form part of these financial statements.

SOLOPROTECT LIMITED
REGISTERED NUMBER: 05003084

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	1,863,449	1,508,452
Tangible assets	13	1,437,872	1,766,934
Investments	14	415	415
		<u>3,301,736</u>	<u>3,275,801</u>
Current assets			
Stocks	15	639,999	139,876
Debtors: amounts falling due within one year	16	1,915,381	1,791,244
Cash at bank and in hand	17	603,684	691,740
		<u>3,159,064</u>	<u>2,622,860</u>
Creditors: amounts falling due within one year	18	(3,732,287)	(2,794,443)
		<u>(573,223)</u>	<u>(171,583)</u>
Net current liabilities		<u>(573,223)</u>	<u>(171,583)</u>
Total assets less current liabilities		<u>2,728,513</u>	<u>3,104,218</u>
Creditors: amounts falling due after more than one year	19	(915,608)	(901,877)
Provisions for liabilities			
Other provisions	23	(104,551)	(115,609)
		<u>(104,551)</u>	<u>(115,609)</u>
Net assets		<u><u>1,708,354</u></u>	<u><u>2,086,732</u></u>
Capital and reserves			
Called up share capital	24	1,703	1,703
Share premium account	25	981,736	981,736
Foreign exchange reserve	25	(149,041)	(152,668)
Profit and loss account	25	873,956	1,255,961
		<u>1,708,354</u>	<u>2,086,732</u>

SOLOPROTECT LIMITED
REGISTERED NUMBER: 05003084

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

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S Hough
Director

Date: 23 December 2022

The notes on pages 20 to 42 form part of these financial statements.

SOLOPROTECT LIMITED
REGISTERED NUMBER: 05003084

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	1,863,449	1,508,457
Tangible assets	13	1,395,904	1,709,456
Investments	14	1,254	1,254
		<u>3,260,607</u>	<u>3,219,167</u>
Current assets			
Stocks	15	639,999	139,328
Debtors: amounts falling due within one year	16	2,429,472	2,463,144
Cash at bank and in hand	17	574,919	494,751
		<u>3,644,390</u>	<u>3,097,223</u>
Creditors: amounts falling due within one year	18	(3,596,575)	(2,671,528)
		<u>47,815</u>	<u>425,695</u>
Net current assets		<u>47,815</u>	<u>425,695</u>
Total assets less current liabilities		<u>3,308,422</u>	<u>3,644,862</u>
Creditors: amounts falling due after more than one year	19	(915,609)	(901,877)
Provisions for liabilities			
Other provisions	23	(104,551)	(115,609)
		<u>(104,551)</u>	<u>(115,609)</u>
Net assets		<u><u>2,288,262</u></u>	<u><u>2,627,376</u></u>
Capital and reserves			
Called up share capital	24	1,703	1,703
Share premium account	25	981,736	981,736
Profit and loss account brought forward		1,643,937	2,427,041
Loss for the year		(339,114)	(783,104)
		<u>1,304,823</u>	<u>1,643,937</u>
Profit and loss account carried forward		<u><u>2,288,262</u></u>	<u><u>2,627,376</u></u>

SOLOPROTECT LIMITED
REGISTERED NUMBER: 05003084

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
S Hough
Director

Date: 23 December 2022

The notes on pages 20 to 42 form part of these financial statements.

SOLOPROTECT LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	1,703	981,736	(157,097)	1,471,311	2,297,653
Loss for the year	-	-	-	(215,350)	(215,350)
Exchange gains on translation of foreign subsidiary	-	-	4,429	-	4,429
At 1 January 2021	<u>1,703</u>	<u>981,736</u>	<u>(152,668)</u>	<u>1,255,961</u>	<u>2,086,732</u>
Loss for the year	-	-	-	(382,005)	(382,005)
Exchange gains on translation of foreign subsidiary	-	-	3,627	-	3,627
At 31 December 2021	<u><u>1,703</u></u>	<u><u>981,736</u></u>	<u><u>(149,041)</u></u>	<u><u>873,956</u></u>	<u><u>1,708,354</u></u>

The notes on pages 20 to 42 form part of these financial statements.

SOLOPROTECT LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	1,703	981,736	2,427,041	3,410,480
Loss for the year	-	-	(783,104)	(783,104)
At 1 January 2021	<u>1,703</u>	<u>981,736</u>	<u>1,643,937</u>	<u>2,627,376</u>
Loss for the year	-	-	(339,114)	(339,114)
At 31 December 2021	<u><u>1,703</u></u>	<u><u>981,736</u></u>	<u><u>1,304,823</u></u>	<u><u>2,288,262</u></u>

The notes on pages 20 to 42 form part of these financial statements.

SOLOPROTECT LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(382,005)	(215,350)
Adjustments for:		
Amortisation of intangible assets	508,230	547,996
Depreciation of tangible assets	603,175	681,031
Loss on disposal of tangible assets	39,226	25,334
Interest paid	69,083	64,261
Taxation charge	72,137	(170,142)
(Increase)/decrease in stocks	(500,123)	220,647
(Increase)/decrease in debtors	(205,004)	221,430
(Decrease)/increase in creditors	(522,548)	349,641
Increase/(decrease) in amounts owed to groups	1,487,403	(550,730)
(Decrease) in provisions	(11,058)	(112)
Corporation tax received	-	230,244
Foreign exchange	3,627	4,429
Net cash generated from operating activities	<u>1,162,143</u>	<u>1,408,679</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(863,223)	(554,291)
Purchase of tangible fixed assets	(302,388)	(528,855)
Interest received	-	1,168
Net cash from investing activities	<u>(1,165,611)</u>	<u>(1,081,978)</u>
Cash flows from financing activities		
Repayment of/new finance leases	(15,505)	(32,524)
Interest paid	(69,083)	(64,261)
Net cash used in financing activities	<u>(84,588)</u>	<u>(96,785)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(88,056)</u>	<u>229,916</u>
Cash and cash equivalents at beginning of year	691,740	461,824
Cash and cash equivalents at the end of year	<u><u>603,684</u></u>	<u><u>691,740</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	603,684	691,740
	<u><u>603,684</u></u>	<u><u>691,740</u></u>

The notes on pages 20 to 42 form part of these financial statements.

SOLOPROTECT LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	691,740	(88,056)	603,684
Finance leases	(17,694)	15,505	(2,189)
	<u>674,046</u>	<u>(72,551)</u>	<u>601,495</u>

The notes on pages 20 to 42 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Soloprotect Limited is a private company limited by share capital, incorporated in England and Wales. The address of the registered office is Suzy Lamplugh House, 1 Vantage Drive, Tinsley, Sheffield S9 1RG.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

The results of Connexion2 Limited, a wholly owned subsidiary of the Company, have not been consolidated into these financial statement due to their insignificance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Associates and joint ventures

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in significant associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

The management considers the results of the Group's associate undertaking for both current year and prior year are insignificant to be consolidated into these financial statements. As a result, the investment in associate undertaking has been included in these financial statements at cost less any provision for impairment and the full amount due by the same associate undertaking to the group is included in other debtors.

2.4 Going concern

Whilst Covid-19 has hit many businesses operationally, it has presented opportunities arising from increasing levels of lone working. SoloProtect continues to support businesses facing these risks. Consequently, given the company's resilience to the impacts of Covid-19, the Directors believe that SoloProtect Limited continues to be a going concern. The directors have prepared forecasts and received confirmation of continued support and on this basis the financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Turnover

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

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Patents	-	3	Years
Development expenditure	-	3	Years
Computer Software	-	4	Years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	- between 5 and 50 years on a straight line basis
Plant and machinery	- between 3 and 10 years on a straight line basis
Fixtures and fittings	- between 3 and 10 years on a straight line basis
Computer equipment	- 3 years on a straight line basis
Operating leased assets	- over 3 and a half years on a straight line basis
Land	- not depreciated

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Valuation of investments

Investment in the subsidiary company is held at cost less accumulated impairment losses.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.10 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-puttable shares are measured at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Creditors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.16 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Operating leases: the Group as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.18 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.19 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.20 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.23 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

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

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account.

SOLOPROTECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

The Group makes estimates and assumptions concerning the future. Actual results may differ from these estimates. 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.

The directors consider the following to be significant areas of judgment or key sources of estimation uncertainty.

- Valuation of stock and stock provisions is an area of key accounting estimate. The entity's policy in relation to stock provisioning is therefore to provide for obsolete, slow moving and defective stock, and therefore ensure that stock is held at the most appropriate estimate of net realisable value.
- Amortisation and depreciation of intangible and tangible fixed assets respectively are also key accounting estimates. The entity's policy is to amortise intangible fixed assets over the expected useful life of the product to which they relate, commencing from the date the product first goes to market. Depreciation is estimated based upon the expected useful lives of the company's tangible fixed assets
- Research and Development is another area of key judgment. The entity's policy is to recognise all expenditure on research as an expense to the Statement of Comprehensive Income when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	5,696,675	6,247,611
Rest of the world	1,513,907	1,542,752
	<u>7,210,582</u>	<u>7,790,363</u>

5. Other operating income

	2021 £	2020 £
Government grants	<u>12,316</u>	<u>35,385</u>

SOLOPROTECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Operating loss

The operating loss is stated after charging:

	2021	2020
	£	£
Intangible fixed assets - amortisation	508,230	547,996
Tangible fixed assets - depreciation	603,175	686,090
Research and development	-	136,643
Exchange differences	(1,245)	(99,236)
Other operating lease rentals	<u>22,692</u>	<u>60,643</u>

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2021	2020
	£	£
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	<u>30,000</u>	<u>24,000</u>

SOLOPROTECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	3,824,613	3,883,688	3,223,542	3,506,637
Social security costs	442,966	399,747	374,866	355,132
Cost of defined contribution scheme	93,014	94,268	72,337	79,886
	<u>4,360,593</u>	<u>4,377,703</u>	<u>3,670,745</u>	<u>3,941,655</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Directors	5	6	5	6
Admin	47	49	47	49
Operations	20	15	20	12
Sales	20	22	8	17
	<u>92</u>	<u>92</u>	<u>80</u>	<u>84</u>

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	291,070	356,485
Group contributions to defined contribution pension schemes	6,351	10,407
	<u>297,421</u>	<u>366,892</u>

During the year retirement benefits were accruing to 2 directors (2020 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £216,807 (2020 - £148,917).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,500 (2020 - £4,264).

SOLOPROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Interest payable and similar expenses

	2021 £	2020 £
Loans from group undertakings	56,352	57,794
Finance leases and hire purchase contracts	3,859	3,043
Other interest payable	8,872	3,424
	<u>69,083</u>	<u>64,261</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
R&D tax credit	(392,730)	-
Total current tax	<u>(392,730)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	72,137	(170,142)
Total deferred tax	<u>72,137</u>	<u>(170,142)</u>
Taxation on loss on ordinary activities	<u>(320,593)</u>	<u>(170,142)</u>

SOLOPROTECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£	£
Loss on ordinary activities before tax	<u>(702,598)</u>	<u>(385,492)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(133,493)	(73,244)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	18,312	16,834
Capital allowances for year in excess of depreciation	(46,151)	(5,893)
Utilisation of tax losses	-	(75,272)
Other differences in relation to different tax treatment in foreign subsidiary	-	(275)
Deferred tax movement in the year	72,137	(170,142)
Research and development tax credit	(392,730)	-
Unrelieved tax losses carried forward	167,079	136,159
Other	(5,747)	1,691
Total tax charge for the year	<u><u>(320,593)</u></u>	<u><u>(170,142)</u></u>

Factors that may affect future tax charges

The company has estimated losses of £2,256,608 (2020: £1,947,505) available for carry forward against future trading profits.

SOLOPROTECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Intangible assets

Group and company

	Patents £	Product develop-ment £	Computer software £	Total £
Cost				
At 1 January 2021	43,895	2,204,765	660,702	2,909,362
Additions	-	863,223	-	863,223
At 31 December 2021	<u>43,895</u>	<u>3,067,988</u>	<u>660,702</u>	<u>3,772,585</u>
Amortisation				
At 1 January 2021	43,895	924,806	432,205	1,400,906
Charge for the year on owned assets	-	392,155	116,075	508,230
At 31 December 2021	<u>43,895</u>	<u>1,316,961</u>	<u>548,280</u>	<u>1,909,136</u>
Net book value				
At 31 December 2021	<u>-</u>	<u>1,751,027</u>	<u>112,422</u>	<u>1,863,449</u>
At 31 December 2020	<u>-</u>	<u>1,279,959</u>	<u>228,497</u>	<u>1,508,456</u>

Expenditure on the development of products is capitalised as intangible fixed assets and amortised over the estimated useful life of the products.

Further development expenditure of this nature may also be capitalised as intangible fixed assets where it results in significant and measurable improvements in the design or performance of existing products.

SOLOPROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Computer equipment and fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation					
At 1 January 2021	905,233	201,247	982,203	2,151,009	4,239,692
Additions	-	-	23,877	278,511	302,388
Disposals	-	-	(4,090)	(272,382)	(276,472)
Exchange adjustments	-	-	(1,537)	(13,523)	(15,060)
At 31 December 2021	<u>905,233</u>	<u>201,247</u>	<u>1,000,453</u>	<u>2,143,615</u>	<u>4,250,548</u>
Depreciation					
At 1 January 2021	139,936	139,001	863,222	1,330,599	2,472,758
Charge for the year on owned assets	25,898	17,098	57,846	491,783	592,625
Disposals	-	-	(3,949)	(237,370)	(241,319)
Exchange adjustments	-	-	(1,580)	(9,808)	(11,388)
At 31 December 2021	<u>165,834</u>	<u>156,099</u>	<u>915,539</u>	<u>1,575,204</u>	<u>2,812,676</u>
Net book value					
At 31 December 2021	<u>739,399</u>	<u>45,148</u>	<u>84,914</u>	<u>568,411</u>	<u>1,437,872</u>
At 31 December 2020	<u>765,297</u>	<u>62,246</u>	<u>118,981</u>	<u>820,410</u>	<u>1,766,934</u>

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Long leasehold	<u>739,399</u>	<u>765,297</u>

SOLOPROTECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Tangible fixed assets (continued)

Finance leases

The net book value of assets on finance leases is £nil (2020: £3,727) as at 31 December 2021.

Future minimum lease payments due from customers

As at 31 December 2021 the Group had future minimum lease payments from its customers over the use of assets under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	3,011,621	4,047,367
Later than 1 year and not later than 5 years	2,082,030	3,269,607
	<u>5,093,651</u>	<u>7,316,974</u>

Company

	Long-term leasehold property £	Plant and machinery £	Computer equipment and fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation					
At 1 January 2021	905,233	201,247	957,768	1,962,912	4,027,160
Additions	-	-	19,478	233,260	252,738
Disposals	-	-	(4,090)	(246,751)	(250,841)
At 31 December 2021	<u>905,233</u>	<u>201,247</u>	<u>973,156</u>	<u>1,949,421</u>	<u>4,029,057</u>
Depreciation					
At 1 January 2021	139,936	139,001	838,112	1,200,655	2,317,704
Charge for the year on owned assets	25,898	17,098	59,023	438,422	540,441
Disposals	-	-	(3,949)	(221,043)	(224,992)
At 31 December 2021	<u>165,834</u>	<u>156,099</u>	<u>893,186</u>	<u>1,418,034</u>	<u>2,633,153</u>
Net book value					
At 31 December 2021	<u>739,399</u>	<u>45,148</u>	<u>79,970</u>	<u>531,387</u>	<u>1,395,904</u>
At 31 December 2020	<u>765,297</u>	<u>62,246</u>	<u>119,656</u>	<u>762,257</u>	<u>1,709,456</u>

SOLOPROTECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2021	2020
	£	£
Long leasehold	<u>739,399</u>	<u>765,297</u>

The net book value of assets on finance leases is £nil (2020: £3,727) as at 31st December 2021.

14. Fixed asset investments

Group

	Investments in subsidiary companies	Investment in associate	Total
	£	£	£
Cost or valuation			
At 1 January 2021	100	315	415
At 31 December 2021	<u>100</u>	<u>315</u>	<u>415</u>

Company

	Investments in subsidiary companies	Investment in associate	Total
	£	£	£
Cost or valuation			
At 1 January 2021	939	315	1,254
At 31 December 2021	<u>939</u>	<u>315</u>	<u>1,254</u>

SOLOPROTECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Soloprotect BV	The Netherlands	Ordinary shares	100 %
Connexion2 Limited	England and Wales	Ordinary shares	100 %

The results of Connexion2 Limited, a wholly owned subsidiary of the Company, have not been consolidated into these financial statement due to their insignificance.

Associate

The following was an associate of the Company:

Name	Registered office	Class of shares	Holding
Vantage Drive Management Limited	England and Wales	Ordinary shares	31.5 %

15. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	27,028	130,423	27,028	128,339
Finished goods and goods for resale	612,971	9,453	612,971	10,989
	<u>639,999</u>	<u>139,876</u>	<u>639,999</u>	<u>139,328</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,253,495	1,210,822	1,086,053	1,015,432
Amounts owed by group undertakings	2,225	-	781,312	1,045,814
Other debtors	4,940	4,830	83	2,152
Prepayments and accrued income	563,655	401,434	562,024	399,746
Deferred taxation	91,066	174,158	-	-
	<u>1,915,381</u>	<u>1,791,244</u>	<u>2,429,472</u>	<u>2,463,144</u>

17. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	<u>603,684</u>	<u>691,740</u>	<u>574,919</u>	<u>494,751</u>

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	289,153	529,697	269,914	517,552
Amounts owed to group undertakings	2,479,474	1,055,085	2,479,474	1,055,085
Other taxation and social security	434,811	522,587	381,007	473,741
Obligations under finance lease and hire purchase contracts	1,491	15,458	1,491	15,458
Other creditors	69,015	73,519	69,016	69,728
Accruals and deferred income	458,343	598,097	395,673	539,964
	<u>3,732,287</u>	<u>2,794,443</u>	<u>3,596,575</u>	<u>2,671,528</u>

SOLOPROTECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Net obligations under finance leases and hire purchase contracts	698	2,236	698	2,236
Amounts owed to group undertakings	689,281	624,041	689,281	624,041
Other creditors	102,731	154,097	102,732	154,097
Accruals and deferred income	122,898	121,503	122,898	121,503
	<u>915,608</u>	<u>901,877</u>	<u>915,609</u>	<u>901,877</u>

20. Secured creditors

At 31 December 2021 the Group owed an amount of £1,467,232 (2020: £1,392,533) to the parent company which is secured by a charge over the leasehold property. Of this amount £689,281 (2020: £624,041) is shown as falling due after more than one year.

21. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at amortised cost	<u>1,260,662</u>	<u>1,215,652</u>	<u>1,867,448</u>	<u>2,063,399</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>3,780,359</u>	<u>(2,751,370)</u>	<u>(3,739,408)</u>	<u>(2,685,453)</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts due to group undertakings, other creditors, hire purchase and finance lease creditors.

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22. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	174,158	4,016
Charged to profit or loss	(83,092)	170,142
At end of year	<u>91,066</u>	<u>174,158</u>

The deferred tax asset is made up as follows:

	Group 2021 £	Group 2020 £
Tax losses carried forward	<u>91,066</u>	<u>174,158</u>

23. Provisions

Group

	Other provisions £
At 1 January 2021	115,609
Utilised in year	(11,058)
At 31 December 2021	<u>104,551</u>

Company

	Other provisions £	Total £
At 1 January 2021	115,609	115,609
Utilised in year	(11,058)	(11,058)
At 31 December 2021	<u>104,551</u>	<u>104,551</u>

SOLOPROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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24. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
340,646 (2020 - 340,646) Ordinary shares of £0.005 each	<u>1,703</u>	<u>1,703</u>

25. Reserves

Share premium account

Represents the amount paid for share capital above the nominal value.

Foreign exchange reserve

Includes exchange gains or losses arising from translation of the foreign subsidiary.

Profit and loss account

Includes all current and prior period retained profits and losses.

26. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund.

The contributions payable by the Group for the year were £93,014 (2020: £94,268). Contributions totalling £15,071 (2020: £18,729) were payable to the fund at the balance sheet date and are included in creditors.

27. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021	Group 2020
	£	£
Not later than 1 year	1,965	9,198
Later than 1 year and not later than 5 years	514	1,884
	<u>2,479</u>	<u>11,082</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

28. Related party transactions

Group and company

The company has taken advantage of the exemption available in FRS 102, paragraph 33.1A "Related Party disclosures", whereby it has not disclosed transactions with any wholly owned subsidiary undertakings.

29. Ultimate parent undertaking and controlling party

The immediate and ultimate parent company is G Broady Enterprises Inc, a company registered in the United States, by virtue of its shareholding in the company.

The ultimate controlling party is G K Broady.

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