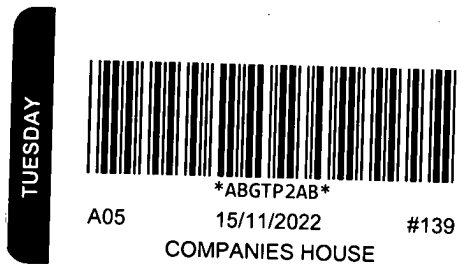


Registered number: 09826669

**PLEXTEK SERVICES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**



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**PLEXTEK SERVICES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Timothy Jackson Ian Andrew Murphy Dr Colin Richard Smithers Brent Christopher Hudson
<b>Company secretary</b>	Sarah Katharine Seacombe
<b>Registered number</b>	09826669
<b>Registered office</b>	The Plextek Building London Road Great Chesterford Saffron Walden CB10 1NY
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants and Statutory Auditors 2 London Wall Place London EC2Y 5AU

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**PLEXTEK SERVICES LIMITED**

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**PLEXTEK SERVICES LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Introduction**

Plextek Services Limited ("Plextek") is a premier provider of technology innovation and bespoke engineering services for advanced sensing, communications and data exploitation products and systems. The company serves customers across markets from consumer to healthcare, security, defence and aerospace.

**Business review**

The Covid-19 pandemic continued to be a major factor affecting the business. However, the company has again proven itself to be very resilient, with the defence and security markets continuing to provide reliable revenue streams due to their relative immunity to the effects of the pandemic and the ensuing economic downturn. Hybrid working practices were introduced and proved to be both efficient and provided staff with well-received working environments.

The company continued to diversify its customer base and project size during the year, providing greater resilience to the macroeconomic changes that were witnessed.

Ignite Exponential ('IEX'), the business unit providing innovation strategy and product design services had another excellent year. It exceeded revenue targets securing several new, high profile customers.

**Principal risks and uncertainties**

At the time of writing, the principal risks to the business is the global macroeconomic environment: inflation running at 10% and forecast to increase, and the potential impact of the military conflict in Ukraine and significantly increasing fuel costs are of concern.

Recruiting the excellent technical staff needed to deliver our services remains a challenge; as ever the demand for such people far exceeds supply.

**Financial key performance indicators**

The key performance indicators on which the business is assessed are turnover, operating profit, staff growth and new clients won.

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



**Brent Christopher Hudson**  
Director

Date: 4 Oct 22

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## **PLEXTEK SERVICES LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022**

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The Directors present their report and the financial statements for the year ended 31 March 2022.

#### **Directors' responsibilities statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £681,275 (2021 - £500,674).

During the year dividends of £112,500 (2021 - £157,500) were declared and paid.

#### **Directors**

The Directors who served during the year were:

Timothy Jackson  
Ian Andrew Murphy  
Dr Colin Richard Smithers  
Brent Christopher Hudson (appointed 26 October 2021)  
Nicholas Hill (resigned 29 September 2021)

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**PLEXTEK SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Future developments**

With the easing of the various measures introduced to deal with the coronavirus pandemic, we have already started to see a considerable uplift in sales enquiries. In response the company has started the next financial year with a recruitment campaign, covering technical, project management and sales roles.

We continue to drive improvements for staff through HR activities designed to ensure effective internal communications, staff Q&A sessions and briefings, staff wellbeing surveys, enhanced training budgets.

Two sustainability initiatives are in progress, one to find ways to reduce our carbon footprint and another to help develop additional services that we can offer to customers to improve the sustainability of their products and which in the end can create a far larger beneficial effect.

**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'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's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, MHA MacIntyre Hudson, 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.



**Brent Christopher Hudson**  
Director

Date: 4 Oct 22

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**PLEXTEK SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLEXTEK SERVICES LIMITED**

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**Opinion**

We have audited the financial statements of Plextek Services Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the 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 Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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.

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**PLEXTEK SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLEXTEK SERVICES LIMITED  
(CONTINUED)**

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**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 2000**

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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**PLEXTEK SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLEXTEK SERVICES LIMITED  
(CONTINUED)**

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**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 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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations.

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

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

**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.



Atul Kariya FCCA (Senior Statutory Auditor)  
for and on behalf of  
**MHA MacIntyre Hudson**  
Chartered Accountants  
Statutory Auditors  
London, United Kingdom  
Date: 20.10.2022

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**PLEXTEK SERVICES LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**

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	Note	2022 £	2021 £
Turnover	4	12,505,372	10,299,156
Cost of sales		(5,789,535)	(4,926,329)
<b>Gross profit</b>		<b>6,715,837</b>	<b>5,372,827</b>
Administrative expenses		(6,166,223)	(4,724,570)
<b>Operating profit</b>	5	<b>549,614</b>	<b>648,257</b>
Interest receivable and similar income	9	38,598	31,606
<b>Profit before tax</b>		<b>588,212</b>	<b>679,863</b>
Tax on profit	10	93,063	(179,189)
<b>Profit for the financial year</b>		<b>681,275</b>	<b>500,674</b>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 11 to 27 form part of these financial statements.

**PLEXTEK SERVICES LIMITED**  
**REGISTERED NUMBER: 09826669**

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	12		230,812		62,663
			<u>230,812</u>		<u>62,663</u>
<b>Current assets</b>					
Stocks	13	859,362		1,058,472	
Debtors	14	4,824,602		4,614,063	
Cash at bank and in hand	15	3,692,530		4,270,021	
		<u>9,376,494</u>		<u>9,942,556</u>	
Creditors: amounts falling due within one year	16	(3,830,716)		(4,866,280)	
<b>Net current assets</b>			<u>5,545,778</u>		<u>5,076,276</u>
<b>Total assets less current liabilities</b>			<u>5,776,590</u>		<u>5,138,939</u>
<b>Provisions for liabilities</b>					
Other provisions	18	(166,833)		(103,270)	
			<u>(166,833)</u>		<u>(103,270)</u>
<b>Net assets</b>			<u><u>5,609,757</u></u>		<u><u>5,035,669</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		3,973		3,841
Share premium account	20		455,631		455,631
Other reserves	20		263,244		258,063
Profit and loss account	20		4,886,909		4,318,134
			<u>5,609,757</u>		<u>5,035,669</u>

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



**Brent Christopher Hudson**  
**Director**

Date: 4 Oct 22

The notes on pages 11 to 27 form part of these financial statements.

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**PLEXTEK SERVICES LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

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	Called up share capital £	Share premium account £	Share based payment reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2020</b>	<b>3,853</b>	<b>455,631</b>	<b>246,212</b>	<b>3,974,960</b>	<b>4,680,656</b>
Profit for the year	-	-	-	500,674	500,674
Dividends	-	-	-	(157,500)	(157,500)
Shares redeemed during the year	(22)	-	-	-	(22)
Shares issued during the year	10	-	-	-	10
Credit to equity for share based payments	-	-	11,851	-	11,851
<b>At 1 April 2021</b>	<b>3,841</b>	<b>455,631</b>	<b>258,063</b>	<b>4,318,134</b>	<b>5,035,669</b>
Profit for the year	-	-	-	681,275	681,275
Dividends	-	-	-	(112,500)	(112,500)
Issue of shares	132	-	-	-	132
Credit to equity for share based payments	-	-	5,181	-	5,181
<b>At 31 March 2022</b>	<b>3,973</b>	<b>455,631</b>	<b>263,244</b>	<b>4,886,909</b>	<b>5,609,757</b>

The notes on pages 11 to 27 form part of these financial statements.

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**PLEXTEK SERVICES LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022**

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	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	681,275	500,674
<b>Adjustments for:</b>		
Depreciation of tangible assets	116,669	74,423
Interest received	(38,598)	(31,606)
Taxation charge	(93,063)	179,189
Decrease in stocks	199,110	87,908
Decrease / (Increase) in debtors	(237,862)	(719,876)
(Increase) / Decrease in amounts owed by related undertakings	27,215	74,550
(Decrease) / Increase in creditors	(955,428)	1,729,500
Adjustment for share based payment	5,181	11,851
Increase in provisions	63,563	22,883
Corporation tax received	13,035	103,103
<b>Net cash generated from operating activities</b>	<b>(218,903)</b>	<b>2,032,599</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(284,818)	(4,107)
Interest received	38,598	31,606
<b>Net cash from investing activities</b>	<b>(246,220)</b>	<b>27,499</b>
<b>Cash flows from financing activities</b>		
Purchase of ordinary shares	-	(22)
Issue of ordinary shares	132	10
Dividends paid	(112,500)	(157,500)
<b>Net cash used in financing activities</b>	<b>(112,368)</b>	<b>(157,512)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(577,491)</b>	<b>1,902,586</b>
Cash and cash equivalents at beginning of year	4,270,021	2,367,435
<b>Cash and cash equivalents at the end of year</b>	<b>3,692,530</b>	<b>4,270,021</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,692,530	4,270,021
	<b>3,692,530</b>	<b>4,270,021</b>

The notes on pages 11 to 27 form part of these financial statements.

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**1. General information**

Plextek Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Plextek Building, London Road, Great Chesterford, Saffron Walden, United Kingdom, CB10 1NY.

The company's principal activity is that of a premier provider of bespoke design and engineering services for advanced sensing, communications and data exploitation products and systems.

**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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are prepared in pound sterling, the functional currency, rounded to the nearest £1.

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. In response to the principal risks to the business identified in the Strategic Report, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of various foreseeable future scenarios that may arise. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the accounts.

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.3 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 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'.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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2. Accounting policies (continued)

2.4 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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**

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

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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**

Revenue 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 Company 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.

2.5 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.8 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

**2.9 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.10 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

**2.11 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	33%
Motor vehicles	-	25%
Computer equipment	-	33%

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.

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.12 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.

**2.13 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.

**2.14 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 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 Company's cash management.

**2.15 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.

**2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company 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 Company 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.

**2.17 Financial instruments**

The Company 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 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

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## PLEXTEK SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.17 Financial instruments (continued)

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

##### 2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the owner directors at a board meeting.

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

The most significant judgements made in these financial statements relate to the valuation of stock, recognition of revenue recoverable on long term contracts and the recoverability of debts.

Estimates relating to contract completion are based on detailed project-by-project forecasts. Based on these forecasts, the directors are satisfied that the revenue is appropriately recognised, and are satisfied that stock and debtors are appropriately reflected.

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Design and consultancy	7,004,640	6,234,376
Materials and expenses recharged	1,476,353	1,241,432
Manufacturing services	4,024,379	2,823,348
	<u>12,505,372</u>	<u>10,299,156</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	8,729,440	9,274,977
Rest of World	3,775,932	1,024,179
	<u>12,505,372</u>	<u>10,299,156</u>

**5. Operating profit**

The operating profit is stated after charging:

	2022 £	2021 £
Research & development charged as an expense	7,843	4,325
Exchange differences	(10,763)	11,444
Depreciation charge on tangible assets	116,669	74,423
	<u>113,749</u>	<u>90,192</u>

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**6. Auditors' remuneration**

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>17,000</u>	<u>17,000</u>
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Taxation compliance services	<u>1,575</u>	<u>1,500</u>
	<u>1,575</u>	<u>1,500</u>

**7. Employees**

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

	2022 £	2021 £
Wages and salaries	4,384,851	4,023,626
Social security costs	525,888	505,678
Cost of defined contribution pension scheme	837,748	648,898
	<u>5,748,487</u>	<u>5,178,202</u>

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

	2022 No.	2021 No.
Engineering, design and consultancy	55	55
Management and administration	15	11
Sales and marketing	11	10
	<u>81</u>	<u>76</u>

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**8. Directors' remuneration**

	2022 £	2021 £
Directors' emoluments	224,624	234,169
Company contributions to defined contribution pension schemes	43,746	11,131
	<u>268,370</u>	<u>245,300</u>

During the year retirement benefits were accruing to 1 Director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £174,815 (2021 - £238,490).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £39,306 (2021 - £11,131).

The directors are the Key Management Personnel and their remuneration is noted above.

**9. Interest receivable**

	2022 £	2021 £
Other interest receivable	38,598	31,606
	<u>38,598</u>	<u>31,606</u>

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**10. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	(109,925)	145,761
	<u>(109,925)</u>	<u>145,761</u>
<b>Total current tax</b>	<u>(109,925)</u>	<u>145,761</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	16,862	33,428
<b>Total deferred tax</b>	<u>16,862</u>	<u>33,428</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(93,063)</u>	<u>179,189</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>588,212</u>	<u>679,863</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	111,760	129,174
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(221,505)	16,587
Deferred tax	16,682	33,428
<b>Total tax charge for the year</b>	<u>(93,063)</u>	<u>179,189</u>

**11. Dividends**

	2022 £	2021 £
Dividends paid on Ordinary "A" shares	<u>112,500</u>	<u>157,500</u>

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**12. Tangible fixed assets**

	<b>Plant and machinery £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2021	383,856	84,960	468,816
Additions	92,355	192,463	284,818
At 31 March 2022	<u>476,211</u>	<u>277,423</u>	<u>753,634</u>
<b>Depreciation</b>			
At 1 April 2021	336,526	69,627	406,153
Charge for the year	84,236	32,433	116,669
At 31 March 2022	<u>420,762</u>	<u>102,060</u>	<u>522,822</u>
<b>Net book value</b>			
At 31 March 2022	<u>55,449</u>	<u>175,363</u>	<u>230,812</u>
At 31 March 2021	<u>47,330</u>	<u>15,333</u>	<u>62,663</u>

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**13. Stocks**

	2022 £	2021 £
Raw materials and consumables	695,079	620,477
Work in progress (goods to be sold)	85,677	211,017
Finished goods and goods for resale	78,606	226,978
	<u>859,362</u>	<u>1,058,472</u>

**14. Debtors**

	2022 £	2021 £
<b>Due after more than one year</b>		
Amounts owed by related undertakings	172,090	370,090
	<u>172,090</u>	<u>370,090</u>
<b>Due within one year</b>		
Trade debtors	3,132,616	2,643,541
Amounts owed by related undertakings	343,138	302,635
Other debtors	-	241
Prepayments and accrued income	104,378	99,557
Amounts recoverable on long term contracts	1,058,671	1,167,428
Deferred taxation	13,709	30,571
	<u>4,824,602</u>	<u>4,614,063</u>

**15. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	3,692,530	4,270,021
	<u>3,692,530</u>	<u>4,270,021</u>

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**16. Creditors: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>296,815</b>	161,605
Amounts owed to related undertakings	<b>16,754</b>	-
Corporation tax	<b>48,689</b>	145,579
Other taxation and social security	<b>649,828</b>	627,495
Other creditors	<b>66,676</b>	282,698
Accruals and deferred income	<b>2,751,954</b>	3,648,903
	<b>3,830,716</b>	4,866,280

**17. Deferred taxation**

	<b>2022</b>
	<b>£</b>
At beginning of year	<b>30,571</b>
Charged to profit or loss	<b>(16,862)</b>
<b>At end of year</b>	<b>13,709</b>

The deferred tax asset is made up as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>(44,668)</b>	(175)
Short term timing differences	<b>58,377</b>	30,746
	<b>13,709</b>	30,571

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**18. Provisions**

	<b>Warranty Provision £</b>
At 1 April 2021	<b>103,270</b>
Charged to profit or loss	<b>63,563</b>
<b>At 31 March 2022</b>	<b>166,833</b>

Amounts charged to the profit and loss represent an estimate of future warranty costs for manufacturing services, relating to products shipped by 31 March 2022. This provision is expected to be used, if required, over the next 24 months.

**19. Share capital**

	<b>2022 £</b>	<b>2021 £</b>
<b>Allotted, called up and fully paid</b>		
36,000,000 (2021 - 36,000,000) Ordinary "A" Shares of £0.0001 each -	<b>3,600</b>	3,600
3,506,788 (2021 - 2,313,928) Ordinary "B" Shares of £0.0001 each -	<b>351</b>	219
217,907 (2021 - 217,907) Ordinary "C" Shares of £0.0001 each -	<b>22</b>	22
	<b>3,973</b>	3,841

On 28 February 2022 the company issued 1,192,860 Ordinary "B" Shares at par value of £0.0001 per share totalling £132.

**20. Reserves****Share premium account**

The share premium account represents the excess value over and above the nominal value of the share capital of trade and assets acquired on the transfer of business into Plextek Services Limited

**Other reserves**

The share based payment reserve is for movements in respect of share options granted. Please see note 22 for details of share options granted and increased by £5,181 in the year to £263,244.

**Profit and loss account**

This includes all current and prior year retained profits and losses less dividends paid

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**PLEXTEK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**21. Analysis of net debt**

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	4,270,021	(577,491)	3,692,530
	<u>4,270,021</u>	<u>(577,491)</u>	<u>3,692,530</u>

**22. Share based payments**

During the year ended 31 March 2018, Plextek Services Limited granted 5,798,191 share options to employees and non-employees. Of these 2,770,651 options vested immediately, with the remaining 3,027,540 options vesting throughout the following four years. A share based payment charge of £5,181 (2021 - £11,851) has been recognised in operating expenses in the current year, of which £3,585 (2021 - £7,021) has been recognised in employee costs. The remaining £1,596 (2021 - £4,830) relates to share options granted to non-employees.

No new share options (2021 - 5,035) were granted during the year ended 31 March 2022.

**23. Pension commitments**

The Company operates a defined contribution pension scheme for employees. Company contributions in the period amounted to £837,748 (2021 - £648,898). An amount of £66,676 (2021 - £61,544) is included in other creditors, which represents the excess of accumulated pension costs over the payment of contributions to employees' pensions.

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## PLEXTEK SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 24. Related party transactions

C R Smithers, T Jackson and I A Murphy, directors of Plextek Services Limited ("PSL") are also directors of Plextek Limited ("Plextek"). During the year, sales of £NIL (2021: £59,214) were made to Plextek. Also, expenses totalling £84,377 (2021: £333,601) were borne on behalf of PSL by Plextek and recharged at cost. Purchases of goods and services were made from Plextek with a value of £10,384 (2021: £909,942). During the year, PSL made short-term cashflow loans to Plextek with an aggregate value of £NIL (2021: £25,753).

At 31 March 2022, PSL owed Plextek £1,528 (2021: Plextek owed PSL £723) in relation to these transactions.

C R Smithers, T Jackson and I A Murphy are also directors of Plextek Campus Limited ("Campus"). During the year, sales of £35,571 (2021: £NIL) were made to Campus. Also, expenses totalling £373,223 (2021: £NIL) were borne on behalf of PSL by Campus and recharged at cost. Purchase of goods and services were made from Campus with a value of £454,782 (2021: £NIL).

At 31 March 2022, PSL owed Campus £15,350 (2021: £NIL) in relation to these transactions.

C R Smithers, T Jackson and I A Murphy are also directors of Redtail Telematics Limited ("Redtail"). During the year, sales of goods and services were made to Redtail with a value of £454,742 (2021: £413,473). Purchases of goods and services were made from Redtail totalling £1,080 (2021: £NIL).

At 31 March 2022, Redtail owed PSL £88,401 (2021: £55,242) in relation to these transactions.

At 31 March 2022, PSL were also owed £292,090 (2021: £412,090) from Redtail in respect of a loan which carries interest at 9% over the bank base rate. During the year interest of £21,460 (2021: £13,941) was charged to Redtail in respect of this loan, of which £1,643 (2021: £1,085) was unpaid at the year end.

C R Smithers, T Jackson and I A Murphy control Blighter Surveillance Systems Limited ("BSS") by virtue of their combined majority shareholding. During the year, sales of goods and services were made to BSS with a value of £117,985 (2021: £45,545). Purchases of goods and services were made from BSS with a value of £17,449 (2021: £3,000).

At 31 March 2022, BSS owed PSL £176,533 (2021: £5,584) in relation to these transactions.

At 31 March 2022, PSL were also owed £445,651 (2021: £198,000) from BSS in respect of two loans, one of which carries interest at 12% over the bank base rate. During the year interest of £17,138 (2021: £17,665) was charged to BSS in respect of this loan, of which £12,872 (2021: £NIL) was unpaid at the year end.

At 31 March 2022 a provision was held against recoverability of the above balances owed by BSS, totalling £605,559 (2021: £NIL).

For part of the year, C R Smithers, T Jackson and I A Murphy controlled Monumo Limited ("Monumo") by virtue of a combined majority shareholding. During the year, sales of goods and services were made to Monumo with a value of £358,282 (2021: £NIL).

At 31 March 2022, Monumo owed PSL £103,599 (2021: £NIL) in relation to these transactions.

#### 25. Ultimate controlling party

The ultimate controlling parties are the owner-directors of Plextek Services Limited.