

Company registration number 03123703 (England and Wales)

I P E C Limited

financial statements

For the year ended 31 March 2023

I P E C Limited

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I P E C Limited

Statement of financial position

As at 31 March 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		645,857		592,328
Tangible assets	5		709,223		717,207
Investments	6		49,801		59,542
			<u>1,404,881</u>		<u>1,369,077</u>
Current assets					
Stocks		570,196		531,669	
Debtors	7	876,218		1,355,579	
Cash at bank and in hand		209,206		256,056	
		<u>1,655,620</u>		<u>2,243,304</u>	
Creditors: amounts falling due within one year	9	<u>(322,153)</u>		<u>(906,200)</u>	
Net current assets			<u>1,333,467</u>		<u>1,337,104</u>
Total assets less current liabilities			<u>2,738,348</u>		<u>2,706,181</u>
Creditors: amounts falling due after more than one year	10		(311,402)		(331,548)
Provisions for liabilities			<u>(150,194)</u>		<u>(148,049)</u>
Net assets			<u><u>2,276,752</u></u>		<u><u>2,226,584</u></u>
Capital and reserves					
Called up share capital			655		655
Share premium account			299,838		299,838
Capital redemption reserve			420		420
Other reserves			45,915		30,610
Profit and loss reserves			<u>1,929,924</u>		<u>1,895,061</u>
Total equity			<u><u>2,276,752</u></u>		<u><u>2,226,584</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

I P E C Limited

Statement of financial position (continued)

As at 31 March 2023

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on its behalf by:

Dr C D Smith

Director

Company Registration No. 03123703

I P E C Limited

Statement of changes in equity For the year ended 31 March 2023

	Share capital	Share premium account	Capital redemption reserve	Share option reserve	Profit and reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 April 2021	970	299,838	105	16,746	1,302,232	1,619,891
Year ended 31 March 2022:						
Profit and total comprehensive income for the year	-	-	-	-	692,829	692,829
Own shares acquired	-	-	-	-	(100,000)	(100,000)
Redemption of shares	-	-	315	-	-	315
Reduction of shares	(315)	-	-	-	-	(315)
Other movements	-	-	-	13,864	-	13,864
Balance at 31 March 2022	655	299,838	420	30,610	1,895,061	2,226,584
Year ended 31 March 2023:						
Profit and total comprehensive income for the year	-	-	-	-	34,863	34,863
Other movements	-	-	-	15,305	-	15,305
Balance at 31 March 2023	655	299,838	420	45,915	1,929,924	2,276,752

I P E C Limited

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies

Company information

I P E C Limited is a private company limited by shares incorporated in England and Wales. The registered office is c/o DJH Mitten Clarke, 2nd Floor, St George's House, 56 Peter Street, Manchester, England, M2 3NQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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

Preparation of consolidated financial statements

The financial statements contain information about I P E C Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

1.2 Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, and is recognised upon delivery of goods. For contract sales, revenue is recognised on a monthly basis over the period of the contract.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Intangible fixed assets other than goodwill

All intangible fixed assets are initially recorded at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation begins when developed products are in a condition where they are available for use or are offered to market.

Website development	33.3% reducing balance
Internally generated product development costs	25% straight line

1.5 Tangible fixed assets

I P E C Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Leasehold land and buildings	1% on cost
Plant and equipment	33% on cost and 25% on reducing balance
Fixtures and fittings	25% on reducing balance
Computers	33% on reducing balance
Motor vehicles	25% on reducing balance

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

I P E C Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in first-out basis of valuation.

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

I P E C Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

Short term employee benefits, including holiday pay, are recognised as an expense in the income statement in the period in which they are incurred.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Share-based payments

The company has issued equity share options to several employees since transition to FRS102. At the balance sheet date a total of 872 share options remain. These are exercisable at the date which an "exit" event occurs at various different exercise prices.

In line with section 26 of FRS102 equity based share payments should be recognised at the balance sheet date at the fair value of goods and services receivable spread over the vesting period.

1.14 Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to income statement over the useful lives of the related assets while grants related to expenses are treated as other income in the income statement.

I P E C Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.15 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was: 33 (2022-29)

	2023 Number	2022 Number
Total	33	29

I P E C Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

4 Intangible fixed assets

	Other £
Cost	
At 1 April 2022	1,018,136
Additions	336,123
Disposals	(46,365)
At 31 March 2023	1,307,894
Amortisation and impairment	
At 1 April 2022	425,808
Amortisation charged for the year	131,601
Impairment losses	148,633
Disposals	(44,005)
At 31 March 2023	662,037
Carrying amount	
At 31 March 2023	645,857
At 31 March 2022	592,328

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total £
Cost			
At 1 April 2022	639,995	167,045	807,040
Additions	-	29,001	29,001
Disposals	-	(4,353)	(4,353)
At 31 March 2023	639,995	191,693	831,688
Depreciation and impairment			
At 1 April 2022	8,214	81,619	89,833
Depreciation charged in the year	6,400	28,990	35,390
Eliminated in respect of disposals	-	(2,758)	(2,758)
At 31 March 2023	14,614	107,851	122,465
Carrying amount			
At 31 March 2023	625,381	83,842	709,223
At 31 March 2022	631,781	85,426	717,207

I P E C Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

6 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	49,801	59,542

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2022	59,542
Impairment	(9,741)
At 31 March 2023	49,801
Carrying amount	
At 31 March 2023	49,801
At 31 March 2022	59,542

7 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	69,118	932,510
Amounts owed by group undertakings	509,033	232,089
Other debtors	198,067	190,980
	876,218	1,355,579

8 Secured debts

As security for the company's bank overdraft a mortgage debenture is held incorporating a fixed and floating charge over the assets of IPEC Limited dated 20 June 2017.

A charge was raised on 21 December 2020 which contains fixed and floating charges over all the properties of the company as security against loan taken in the year.

I P E C Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

9 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	20,279	19,682
Trade creditors	141,721	125,307
Taxation and social security	35,800	38,658
Other creditors	124,353	722,553
	<u>322,153</u>	<u>906,200</u>

10 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans and overdrafts	311,402	331,548
	<u>311,402</u>	<u>331,548</u>

11 Other financial commitments

At 31 March 2023, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £2,250 (2022: £2,250).

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Susan Redmond FCA
Statutory Auditor:	DJH Mitten Clarke Audit Limited

14 Directors' transactions

Description	Opening balance	Closing balance
	£	£
Directors' loan account	40,000	40,000
	<u>40,000</u>	<u>40,000</u>

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