

Company registration number 03788579 (England and Wales)

Italik Limited

Unaudited Financial Statements

For The Year Ended 30 September 2022

Pages For Filing With Registrar

ITALIK LIMITED

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ITALIK LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		295,190		306,968
Investments	4		16,274		1
			<u>311,464</u>		<u>306,969</u>
Current assets					
Debtors	6	1,176,683		967,109	
Cash at bank and in hand		1,951,967		1,574,373	
		<u>3,128,650</u>		<u>2,541,482</u>	
Creditors: amounts falling due within one year	7	<u>(2,283,070)</u>		<u>(1,559,992)</u>	
Net current assets			<u>845,580</u>		<u>981,490</u>
Total assets less current liabilities			<u>1,157,044</u>		<u>1,288,459</u>
Creditors: amounts falling due after more than one year	8		(1)		(192,709)
Provisions for liabilities			<u>(24,700)</u>		<u>(25,100)</u>
Net assets			<u>1,132,343</u>		<u>1,070,650</u>
Capital and reserves					
Called up share capital			383,322		383,322
Capital redemption reserve			130,678		130,678
Profit and loss reserves			<u>618,343</u>		<u>556,650</u>
Total equity			<u>1,132,343</u>		<u>1,070,650</u>

ITALIK LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2022

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 September 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 2 February 2023 and are signed on its behalf by:

Mr R Field
Director

Company Registration No. 03788579

ITALIK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

Italik Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2b, Rudgate Court, Walton, Wetherby, LS23 7BF.

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.

The ultimate parent company is Italik Holdings Limited. The registered office of Italik Holdings Limited is 2b Rudgate Court, Walton, Wetherby, LS23 7BF. The company and its parent comprise a small group and as such are exempt from preparing consolidated accounts.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for the provision of software packages and advice on information communication technology and is recognised at the fair value of the consideration received or receivable, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Intangible assets held on the balance sheet have not been amortised.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Computer equipment	20% - 50% straight line
Fixtures, fittings and equipment	10% - 20% straight line

ITALIK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in associates 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset 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 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 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.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 balance sheet 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.

ITALIK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 and loans from fellow group companies, 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

ITALIK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.11 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 profit and loss account 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 profit and loss account, 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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

ITALIK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

2 Employees

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

	2022 Number	2021 Number
Total	28	24

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 2021	383,958	445,562	829,520
Additions	-	11,021	11,021
At 30 September 2022	383,958	456,583	840,541
Depreciation and impairment			
At 1 October 2021	98,319	424,233	522,552
Depreciation charged in the year	5,899	16,900	22,799
At 30 September 2022	104,218	441,133	545,351
Carrying amount			
At 30 September 2022	279,740	15,450	295,190
At 30 September 2021	285,639	21,329	306,968

Land and buildings are held as security against loans held by Italik Limited, as described in notes 7 and 8.

4 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	1	1
Other investments other than loans	16,273	-
	16,274	1

ITALIK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

4 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in associates £	Other investments £	Total £
Cost or valuation			
At 1 October 2021	1	-	1
Additions	-	50,000	50,000
Valuation changes	-	(33,727)	(33,727)
	<hr/>	<hr/>	<hr/>
At 30 September 2022	1	16,273	16,274
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 30 September 2022	1	16,273	16,274
	<hr/>	<hr/>	<hr/>
At 30 September 2021	1	-	1
	<hr/>	<hr/>	<hr/>

5 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	16,273	-
	<hr/>	<hr/>

6 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	706,633	195,694
Amounts owed by group undertakings	105,000	305,000
Other debtors	354,850	419,015
	<hr/>	<hr/>
	1,166,483	919,709
	<hr/>	<hr/>
Amounts falling due after more than one year:		
Deferred tax asset	10,200	47,400
	<hr/>	<hr/>
Total debtors	<hr/>	<hr/>
	1,176,683	967,109
	<hr/>	<hr/>

ITALIK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

7 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	-	92,170
Trade creditors	1,141,166	762,441
Taxation and social security	397,255	236,881
Other creditors	744,649	468,500
	<u>2,283,070</u>	<u>1,559,992</u>

Bank loans of £nil (2021 - £57,292) are secured by the UK Government under the Coronavirus Business Interruption Loan Scheme, and £nil (2021 - £34,878) are secured by fixed charges over the business premises.

8 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	-	192,708
Other creditors	1	1
	<u>1</u>	<u>192,709</u>

Bank loans of £nil (2021 - £192,708) are secured by the UK Government under the Coronavirus Business Interruption Loan Scheme.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.