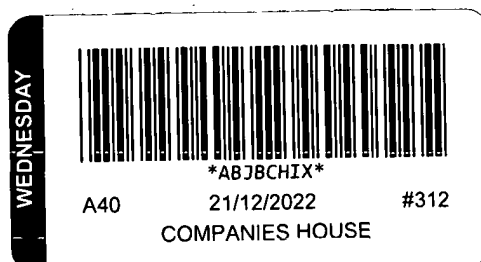


**Company Registration No. 04168293**

**Ikon Science Limited**

**Annual report and financial statements**

**for the year ended 31 March 2022**



## **Ikon Science Limited**

### **Annual report and financial statements For the year ended 31 March 2022**

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## **Ikon Science Limited**

### **Annual report and financial statements For the year ended 31 March 2022**

#### **Officers and professional advisers**

##### **The Board of Directors**

D R M Saussus  
A Towers

##### **Company secretary**

C L Roche

##### **Registered office**

1 The Crescent  
Surbiton  
Surrey  
KT6 4BN

##### **Bankers**

HSBC Bank Plc  
High Street  
Hampton Wick  
Kingston Upon Thames  
Surrey  
KT1 4DA

##### **Auditor**

RSM UK Audit LLP  
Statutory Auditor  
Davidson House  
Forbury Square  
Reading  
Berkshire RG1 3EU

## **Ikon Science Limited**

### **Strategic Report**

The Director's present their strategic report for Ikon Science Limited ('The Company') and its subsidiaries ('The Group') for the year ended 31 March 2022. This strategic report has been prepared for the Group as a whole.

#### **Review of the year and key performance indicators**

The key performance indicators of the business are adjusted EBITDA, revenue and recurring revenue which are described below.

Turnover for the year ended 31 March 2022 closed at £18.633 million (2021: £17.950 million), 4% up year on year. FY22 has brought additional challenges associated with doing business during a global pandemic, in the longer-term revenue is expected to continue to grow, supported by continued investment in the sales and marketing teams, systems improvements and Ikon's continued strong investment in research, innovation & development of new products.

The price of oil returned to pre-pandemic levels during the financial year, with the latter part of the financial year seeing higher prices due to supply fears prompted by Russia's invasion of Ukraine. The market saw some improvement from a low base in the prior year when customer budgets were under severe strain due to the uncertainty caused by the pandemic. With customer budgets in a better position, Ikon secured additional contracts, and experienced low churn, both factors contributing to overall growth in contracted annual recurring revenue of 5%. This clearly demonstrates the "essential" nature of the Ikon RokDoc and recently acquired iPoint product suites, and the high regard in which our software products and support services are held by our customers.

In addition to the growth in recurring software, Ikon saw growth of 14% in revenue recognised for Services and other non-recurring software during the year.

The loss for the year, after taxation, amounted to £1,540,295 (2021: loss £2,514,914). The directors do not recommend a dividend (2021: £nil). The loss reduced due to revenue growth and the impact of deferred tax. Ikon took the opportunity in the prior year to make change to right-size the business and this continues to strengthen Ikon's position.

Net liabilities are £5.5 million compared to prior year net liabilities of £3.7 million. The forecasts and projections show that the Group will continue to operate within its current banking facilities and covenants over the coming 12 months and has built further contingencies into its forecast to allow for further possible negative variances.

#### **Future Developments**

Ikon Science Limited ("the company") has historically invested significantly in the improvement of existing products and development of new products, and this continues with £3.7 million invested this year (note 4b). This annual investment has been fully expensed as incurred and is expected to result in a very positive impact to EBITDA in the coming years as the revenues are realised.

Client preferences are evolving with sector specific needs, which we believe will give rise to new opportunities. In June 2022 Ikon launched "Curate", a 'software as a service' product which is a knowledge management solution. This will allow Ikon to expand the current offerings to an increased customer and user base. We will continue to focus on markets globally including the market for 'software as a service', developing cloud software tools, and building a market-aligned sales force and improved go-to-market capability. We also intend to strengthen our offering by investing in core products with distinctive offerings to defend position and grow in existing and adjacent markets.

The company provides geoscience software, geoengineering and development core expertise and combined with Ikon's leading technologies, is positioned to offer high-end Special Projects with a wide portfolio of consulting and advisory solutions for Quantitative Interpretation, Geomechanics and Geopressure projects.

## **Ikon Science Limited**

### **Strategic Report (continued)**

Continuous development of new expertise and know-how are an essential element in sustaining Ikon's growth plan. Ikon has been successful in attracting and retaining industry-recognised technical geoscience experts as well as commercial leaders. Ongoing investment in the recruitment and retention of Ikon's experienced, energetic and innovative staff is the cornerstone of the group's business and the directors would like to thank all current and past staff members for their contribution to Ikon Science and look forward to further growth and expansion in the years to come.

#### **Principle risks and uncertainties**

The Group performs risk assessment and evaluation as part of its planning procedures and appropriate control systems are put in place to manage the identified risks.

The principal risk factors are considered to be the ability to continue to develop innovative software, the ability to secure sufficient and profitable sales contracts to support the group's operations and the general economic environment for customers with particular emphasis on the level of commodity prices. These are being mitigated by strengthening the organisations software development and sales capabilities, targeting the customer base with enhanced offerings and widening the customer base with Curate.

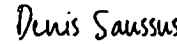
Risks associated with climate change and the possible decline in future of oil and gas exploration is a long-term risk to the business. This is being mitigated by actively targeting customers in the renewables sector such as geothermal energy and broadening software offerings to include enterprise wide data management through our Curate product.

The group's principal financial assets are bank balances, trade receivables and accrued income. The group's credit risk is mainly attributable to its trade receivables. There is no significant concentration of credit risk, with exposure spread over a growing portfolio of customers. Due to the international nature of its operations, the Group has exchange rate translation risk to its earnings and assets and liabilities of its overseas subsidiaries. The Group's liquidity risk is managed by actively monitoring its forecast cash flows and establishing its funding requirements including using forward exchange contracts to mitigate fluctuations in exchange rates.

The departure of Great Britain from the European Union on 31 January 2020 as of yet has had no material impact on the Company. The Company will continue to monitor and assess the impact on its clients and suppliers on an ongoing basis.

Covid-19 had an impact on business towards the latter stages of the previous financial year and during the current financial year due to the timings of the lockdowns in the regions the Group operates in, and the resulting impact on oil prices and demand globally. Ikon saw some customers delay purchasing decisions while conditions became uncertain. The Group implemented working practices in line with local government advice and continues to successfully service our customer base through a hybrid working model, utilising cloud technologies. Ikon is well positioned to respond to the current environment as an opportunity to accelerate deployment of Curate in the market, providing remote data knowledge and sharing and in turn enhancing decision making and improved results at the wellsite.

Approved by the Board of Directors on 20 December 2022  
and signed on behalf of the Board of Directors

DocuSigned by:  
  
CF08D99EBD864FD...

D R M Saussus  
Director

## **Ikon Science Limited**

### **Directors' Report**

The directors present their annual report on the affairs of the Group, together with the audited financial statements and auditor's report, for the year ended 31 March 2022.

#### **Principal activities**

The principal activities of the group during the year were: the continued development and sales of the RokDoc® geoprediction software platform, iPoint®, Ji-Fi®, Curate; the completion and sale of global and regional geoprediction studies conducted on a multiclient basis; and the provision of geoprediction consulting, including Quantitative Interpretation, geopressure and geomechanics advisory solutions to the global oil and gas industry using Ikon's distinctive subsurface geoscience software technologies, knowledge base and know-how.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £1,540,295 (2021: loss £2,514,914). The directors do not recommend a dividend (2021: £nil). The loss reduced due to top line revenue growth and careful consideration of costs.

#### **Going concern**

Management has prepared detailed forecasts and projections for the Group which reflect the current market environment and take account of reasonable possible changes in trading performance and which can be offset by mitigating actions. These forecasts and projections show that the group should be able to operate within its current banking facilities obtained over the coming 12 months. Further detail of the going concern assumptions are detailed in the accounting policies in Note 1.

The directors accordingly have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. The directors have accordingly considered the use of the going concern basis in the preparation of the financial statements and concluded that it is appropriate.

#### **Recapitalisation and credit agreement**

The Company had a \$5,000,000 equity injection and an amendment to the Credit Agreement in the prior year. The amendment to the credit agreement provides additional headroom on the performance covenant in respect of the group's ratio of debt to recurring revenue. As a result of these actions the forecasts and projections show that the Group will continue to operate within its current banking facilities and covenants over the coming 12 months and has built further contingencies into its forecast to allow for further possible negative variances.

#### **Employment policy**

The directors view the group's employees as integral to the success of the business and, as a result, the Group's employment practices are designed to attract, retain and develop the talent necessary to ensure that the Group retains its strong market position with motivated and satisfied employees.

The directors are committed to maintaining appropriate standards of health and safety in all premises and areas of the Group's operations.

#### **Political and charitable donations**

There were no political or charitable donations made during the year (2021: £nil).

#### **Research and development**

The Group has historically invested significantly in the improvement of existing products and development of new products, and this continues with £3.7 million invested this year (2021: £3.8m) (note 4b). This annual investment has been fully expensed as incurred and is expected to result in a very positive impact to EBITDA in the coming years as the revenues are realised. Ikon's strong investment in research, innovation & development is a key element of its software-led strategy leading to sustainable revenues.

## **Ikon Science Limited**

### **Directors Report (continued)**

#### **Directors' liability**

As at the date of this report, indemnities are in force under which the company has agreed to indemnify the directors, to the extent permitted by the Companies Act 2006, against claims from third parties in respect of certain liabilities arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the company.

#### **Auditor**

The Company changed auditor during the year. A resolution will be proposed at the Annual General Meeting to re appoint RSM UK Audit LLP as auditor. RSM UK Audit LLP have expressed their willingness to continue in office as auditor.

#### **Disclosures included elsewhere in the Annual Report**

In accordance with Section 414C(11) of the Companies Act 2006 the directors have chosen to set out certain information required by Schedule 7 to the Accounting Regulations in the Strategic Report rather than in the Directors' Report, and form part of this report by cross reference. The Group's business review, key performance indicators, principle risks and uncertainties and future development, performance and position are set out in the Strategic report on page 2 and form part of this report by cross reference.

#### **Directors**

The directors, who served since 1 April 2021 and to the date of this report, were as follows:

D R M Saussus

A J Towers

K Waters

(resigned 11 April 2022)

The Group has made qualifying third-party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approved by the Board of Directors on 20 December 2022  
and signed on behalf of the Board of Directors

DocuSigned by:

*Denis Saussus*

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D R M Saussus  
Director

## **Ikon Science Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the annual 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 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 group and of the profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Independent auditor's report to the members of Ikon Science Limited**

### **Opinion**

We have audited the financial statements of Ikon Science Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and parent company balance sheets, the consolidated and parent company statements of changes in equity, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

## **Independent auditor's report to the members of Ikon Science Limited (continued)**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's 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 auditor's 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

## **Independent auditor's report to the members of Ikon Science Limited (continued)**

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The group audit engagement team identified the risk of management override of controls and the cut off of revenue as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and testing a sample of revenue contracts which span year end to ensure that revenue had been recorded in the appropriate accounting period.

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

**RSM UK Audit LLP**

Neil Mellor (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Davidson House  
Forbury Square  
Reading  
Berkshire, RG1 3EU  
20 December 2022

**Ikon Science Limited****Consolidated profit and loss account  
For the year ended 31 March 2022**

|  | Notes | 2022<br>£                 | 2021<br>£                 |
|--|-------|---------------------------|---------------------------|
| <b>Turnover</b>                        | 3     | 18,632,512                | 17,950,492                |
| <b>Cost of sales</b>                   |       | <u>(5,892,093)</u>        | <u>(5,637,935)</u>        |
| <b>Gross profit</b>                    |       | <u>12,740,419</u>         | <u>12,312,557</u>         |
| Distribution costs                     |       | (357,170)                 | (260,677)                 |
| Administrative expenses:               |       |                           |                           |
| Salaries                               | 5     | (7,232,593)               | (7,628,600)               |
| Other administrative expenses          |       | <u>(6,378,163)</u>        | <u>(6,020,767)</u>        |
| <b>Total operating costs</b>           |       | <u>(13,967,926)</u>       | <u>(13,910,044)</u>       |
| <b>Other operating income</b>          | 4     | <u>153,110</u>            | <u>396,444</u>            |
| <b>Operating loss</b>                  | 4     | <u>(1,074,397)</u>        | <u>(1,201,043)</u>        |
| Interest receivable and similar income | 6     | 597                       | 585                       |
| Interest payable and similar charges   | 6     | <u>(955,084)</u>          | <u>(1,045,098)</u>        |
| <b>Loss before taxation</b>            |       | <u>(2,028,884)</u>        | <u>(2,245,556)</u>        |
| <b>Tax credit / (charge)</b>           | 8     | <u>488,589</u>            | <u>(269,358)</u>          |
| <b>Loss for the financial year</b>     |       | <u><u>(1,540,295)</u></u> | <u><u>(2,514,914)</u></u> |

All of the activities of the group are classed as continuing.

The notes on pages 17 to 39 form an integral part of these financial statements.

**Ikon Science Limited****Consolidated statement of comprehensive income  
For the year ended 31 March 2022**

|   | <b>2022</b>               | <b>2021</b>               |
|---|---------------------------|---------------------------|
|   | <b>£</b>                  | <b>£</b>                  |
| Group loss for the financial year                           | (1,540,295)               | (2,514,914)               |
| Foreign exchange on re-translation of overseas subsidiaries | (291,942)                 | 959,553                   |
| Total other comprehensive profit / (loss)                   | <u>(291,942)</u>          | <u>959,553</u>            |
| <b>Total comprehensive loss</b>                             | <b><u>(1,832,237)</u></b> | <b><u>(1,555,361)</u></b> |

All of the total comprehensive income is attributable to equity shareholders of the parent company.

The notes on pages 17 to 39 form an integral part of these financial statements.

## Ikon Science Limited

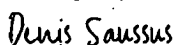
### Consolidated balance sheet As at 31 March 2022

|  | Notes | 2022<br>£           | 2021<br>£           |
|--|-------|---------------------|---------------------|
| <b>Fixed assets</b>  |       |                     |                     |
| Intangible assets  | 10    | 4,912,476           | 5,641,297           |
| Tangible assets  | 11    | 176,697             | 312,029             |
|  |       | <u>5,089,173</u>    | <u>5,953,326</u>    |
| <b>Current assets</b>                                      |       |                     |                     |
| Debtors: amounts falling due within one year               | 13    | 8,019,239           | 8,692,105           |
| Deferred tax   | 14    | 1,978,567           | 1,286,521           |
| Cash at bank and in hand                                   |       | 3,735,832           | 5,200,098           |
|  |       | <u>13,733,638</u>   | <u>15,178,724</u>   |
| <b>Creditors: amounts falling due within one year</b>      | 15    | <u>(9,549,076)</u>  | <u>(9,921,299)</u>  |
| <b>Net current assets</b>                                  |       | <u>4,184,562</u>    | <u>5,257,425</u>    |
| <b>Total assets less current assets</b>                    |       | <u>9,273,735</u>    | <u>11,210,751</u>   |
| Creditors: amounts falling due after more than one year    | 16    | (14,002,422)        | (14,211,792)        |
| Deferred Tax: amounts falling due after more than one year | 14    | (819,925)           | (716,034)           |
|  |       | <u>(14,822,347)</u> | <u>(14,927,826)</u> |
| <b>Net assets</b>  |       | <u>(5,548,612)</u>  | <u>(3,717,075)</u>  |
| <b>Capital and reserves</b>                                |       |                     |                     |
| Called-up share capital                                    | 20    | 42,586              | 42,586              |
| Share premium account                                      | 20    | 6,137,902           | 6,137,902           |
| Currency translation reserve                               | 20    | (89,753)            | 201,489             |
| Profit and loss account                                    | 20    | (11,639,347)        | (10,099,052)        |
| <b>Total shareholders' funds</b>                           |       | <u>(5,548,612)</u>  | <u>(3,717,075)</u>  |

The financial statements of Ikon Science Limited (registered number 04168293) were approved by the Board of Directors and authorised for issue on 20 December 2022.

The notes on pages 17 to 39 form an integral part of these financial statements.

Signed on behalf of the Board of Directors

DocuSigned by:  
  
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D Saussus  
Director

**Ikon Science Limited****Company balance sheet  
As at 31 March 2022**

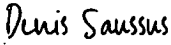
|  | Notes | 2022<br>£           | 2021<br>£           |
|--|-------|---------------------|---------------------|
| <b>Fixed assets</b>  |       |                     |                     |
| Intangible assets  | 10    | 4,829,981           | 5,549,978           |
| Tangible assets  | 11    | 71,487              | 153,712             |
| Investments  | 12    | 1,056,447           | 1,425,947           |
|  |       | <u>5,957,915</u>    | <u>7,129,637</u>    |
| <b>Current assets</b>  |       |                     |                     |
| Debtors: amounts falling due within one year                   | 13    | 15,678,492          | 18,727,938          |
| Deferred tax   | 14    | 1,978,567           | 1,286,521           |
| Cash at bank and in hand                                       |       | <u>2,523,160</u>    | <u>3,900,996</u>    |
|  |       | 20,180,219          | 23,915,455          |
| <b>Creditors: amounts falling due within one year</b>          | 15    | <u>(6,647,278)</u>  | <u>(10,772,105)</u> |
| <b>Net current assets</b>                                      |       | <u>13,532,941</u>   | <u>13,143,350</u>   |
| <b>Total assets less current liabilities</b>                   |       | <u>19,490,856</u>   | <u>20,272,987</u>   |
|  |       |                     |                     |
| <b>Creditors: amounts falling due after more than one year</b> | 16    | <u>(14,002,422)</u> | <u>(14,211,792)</u> |
| <b>Net assets</b>  |       | <u>5,488,434</u>    | <u>6,061,195</u>    |
| <b>Capital and reserves</b>                                    |       |                     |                     |
| Called-up share capital  | 20    | 42,586              | 42,586              |
| Share premium account  | 20    | 6,137,902           | 6,137,902           |
| Currency translation reserve                                   | 20    | (346,713)           | (346,713)           |
| Profit and loss account  | 20    | <u>(345,341)</u>    | <u>227,420</u>      |
| <b>Total shareholders' funds</b>                               |       | <u>5,488,434</u>    | <u>6,061,195</u>    |

The loss for the financial year dealt with in the financial statements of the parent company was £572,761 (2021: loss £152,836).

The financial statements of Ikon Science Limited (registered number 04168293) were approved by the Board of Directors and authorised for issue on 20 December 2022.

The notes on pages 17 to 39 form an integral part of these financial statements.

Signed on behalf of the Board of Directors

DocuSigned by:  
  
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D Saussus  
 Director

**Ikon Science Limited**  
**Consolidated statement of changes in equity**

**For the year ended 31 March 2022**

|   | Called-up<br>share<br>capital<br>£ | Share<br>premium<br>account<br>£ | Currency<br>translation<br>reserve<br>£ | Profit<br>and loss<br>account<br>£ | Equity<br>reserve<br>£ | Total<br>£         |
|---|------------------------------------|----------------------------------|---|------------------------------------|------------------------|--------------------|
| <b>At 31 March 2020</b>   | <b>42,586</b>                      | <b>2,384,900</b>                 | <b>(758,064)</b>                        | <b>(7,584,138)</b>                 | -                      | <b>(5,914,716)</b> |
| Loss for the financial year                                     | -                                  | -                                | -                                       | (2,514,914)                        | -                      | (2,514,914)        |
| Exchange difference on retranslation of subsidiary undertakings | -                                  | -                                | 959,553                                 | -                                  | -                      | 959,553            |
| Total comprehensive loss  | -                                  | -                                | 959,553                                 | (2,514,914)                        | -                      | (1,555,361)        |
| Issue of new share capital                                      | -                                  | 3,753,002                        | -                                       | -                                  | -                      | 3,753,002          |
| <b>At 31 March 2021</b>   | <b>42,586</b>                      | <b>6,137,902</b>                 | <b>201,489</b>                          | <b>(10,099,052)</b>                | -                      | <b>(3,717,075)</b> |
| Loss for the financial year                                     | -                                  | -                                | -                                       | (1,540,295)                        | -                      | (1,540,295)        |
| Exchange difference on retranslation of subsidiary undertakings | -                                  | -                                | (291,242)                               | -                                  | -                      | (291,242)          |
| Total comprehensive loss  | -                                  | -                                | (291,242)                               | (1,540,295)                        | -                      | (1,831,537)        |
| <b>At 31 March 2022</b>   | <b>42,586</b>                      | <b>6,137,902</b>                 | <b>(89,753)</b>                         | <b>(11,639,347)</b>                | -                      | <b>(5,548,612)</b> |

The notes on pages 17 to 39 form part of these financial statements.



**Ikon Science Limited**  
**Company statement of changes in equity**

**For the year ended 31 March 2022**

|   | Called-up<br>share<br>capital<br>£ | Share<br>premium<br>account<br>£ | Currency<br>translation<br>reserve<br>£ | Profit<br>and loss<br>account<br>£ | Equity<br>reserve<br>£ | Total<br>£ |
|---|------------------------------------|----------------------------------|---|------------------------------------|------------------------|------------|
| At 31 March 2020  | 42,586                             | 2,384,900                        | (326,270)                               | 380,256                            | -                      | 2,481,472  |
| Loss for the year   | -                                  | -                                | -                                       | (152,836)                          | -                      | (152,836)  |
| Exchange difference on retranslation of subsidiary undertakings | -                                  | -                                | (20,443)                                | -                                  | -                      | (20,443)   |
| Total comprehensive loss  | -                                  | -                                | (20,443)                                | (152,836)                          | -                      | (173,279)  |
| Issue of new share capital                                      | -                                  | 3,753,002                        | -                                       | -                                  | -                      | 3,753,002  |
| At 31 March 2021  | 42,586                             | 6,137,902                        | (346,713)                               | 227,420                            | -                      | 6,061,195  |
| Loss for the year   | -                                  | -                                | -                                       | (572,761)                          | -                      | (572,761)  |
| Total comprehensive loss  | -                                  | -                                | -                                       | (572,761)                          | -                      | (572,761)  |
| At 31 March 2022  | 42,586                             | 6,137,902                        | (346,713)                               | (345,341)                          | -                      | 5,488,434  |

The notes on pages 17 to 39 form part of these financial statements.

**Ikon Science Limited****Consolidated cash flow statement  
Year ended 31 March 2022**

|   | Notes | <b><u>2022</u></b><br><b>£</b> | <b><u>2021</u></b><br><b>£</b> |
|---|-------|--------------------------------|--------------------------------|
| <b>Cash generated by / (outflow from) operations</b>          | 21    | (388,848)                      | 20,678                         |
| <b>Cash flows from investing activities</b>                   |       |                                |                                |
| Payments to acquire tangible fixed assets                     |       | (46,542)                       | (38,487)                       |
| Proceeds from sale of tangible fixed assets                   |       | -                              | 625                            |
| Interest paid   |       | (963,295)                      | (1,085,313)                    |
| Interest received   |       | 597                            | 823                            |
| Payments to acquire subsidiaries                              |       | -                              | -                              |
| <b>Net cash flows used in investing activities</b>            |       | <b>(1,009,240)</b>             | <b>(1,122,352)</b>             |
| <b>Cash flows from financing activities</b>                   |       |                                |                                |
| Issue of share capital  |       | -                              | 3,753,002                      |
| Repayment of bank loans                                       |       | (369,774)                      | -                              |
| <b>Net cash flows from financing activities</b>               |       | <b>(369,774)</b>               | <b>3,753,002</b>               |
| <b>Net increase / (decrease) in cash and cash equivalents</b> |       | <b>(1,767,862)</b>             | <b>2,651,328</b>               |
| <b>Cash and cash equivalents at beginning of year</b>         |       | <b>5,200,098</b>               | <b>3,386,796</b>               |
| <b>Effect of foreign exchange rate changes</b>                |       | <b>303,596</b>                 | <b>(838,026)</b>               |
| <b>Cash and cash equivalents at end of year</b>               |       | <b><u>3,735,832</u></b>        | <b><u>5,200,098</u></b>        |
| Comprising:   |       |                                |                                |
| Cash at bank and in hand                                      |       | <u>3,735,832</u>               | <u>5,200,098</u>               |
| <b>Cash and cash equivalents at end of year</b>               |       | <b><u>3,735,832</u></b>        | <b><u>5,200,098</u></b>        |

The notes on pages 17 to 39 form part of these financial statements.

## **Ikon Science Limited**

### **Notes to the accounts Year ended 31 March 2022**

#### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

##### **General information and basis of accounting**

Ikon Science Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the directors' report on pages 4 to 5. The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Group has applied the true and fair override in the company-only Ikon Science Limited balance sheet due to the hive up of the trade and assets from its subsidiary Perigon Solutions Limited. This has been applied as the underlying assets and economic benefits associated with these have not been lost but rather subsumed by the parent and so part of the investment value is redesignated as company-only goodwill.

The functional currency of Ikon Science Limited is considered to be pounds sterling because that is the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Ikon Science Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

##### **Going concern**

The Directors used the financial forecasts prepared for the business to model profitability and liquidity as the basis for their assessment of the Group's ability to continue as a going concern for the 12 months from the date of signing of the financial statements. The major assumptions and key areas of judgement taken into account in the modelling included: the improved oil price; the impact in the industry of Russia's invasion of Ukraine; a continued low rate of churn on existing contracted revenues; careful review of the weighted sales pipeline for software and services. These forecasts were modelled using a base case together with some overlays on costs. The cost overlays assume ringfencing certain costs to protect the business, reducing infrastructure costs where possible due to Ikon's now established hybrid working model, and incurring relatively increased travel costs due to business travel returning to pre-Covid-19 levels.

In modelling the profitability and liquidity forecasts, the Directors were able to take into account a \$5m equity injection and an amendment to the Credit Agreement both of which occurred on the 23rd of December 2020. The amendment to the credit agreement provides additional headroom on the performance covenant in respect of the group's ratio of debt to recurring revenue. As a result of these actions the forecasts and projections show that the Group will continue to operate within its current banking facilities and covenants over the coming 12 months and has built further contingencies into its forecast to allow for further possible negative variances.

The directors, accordingly, have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The directors have, accordingly, considered the use of the going concern basis in the preparation of the financial statements and concluded that it is appropriate.

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings drawn up to 31 March each year. The results of companies acquired or sold are consolidated for the periods from or to the date on which control passed. Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group. All intra-group transactions, balances, incomes and expenses are eliminated on consolidation. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

## **Ikon Science Limited**

### **Notes to the financial statements (continued)** **Year ended 31 March 2022**

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

##### **Summary of exemptions**

As the parent company, Ikon Science limited has provided a guarantee under the provision of the Companies Act 2006, s479C, for an audit exemption for the following companies. The results of these companies and the parent are included in these consolidated financial statements. All the subsidiaries listed below have taken advantage of the exemption from having their accounts audited under the provisions of the Companies Act 2006, s479A.

Perigon Solutions Holding Limited – Company Number SC478506

Perigon Solutions Limited – Company Number SC246245

##### **Turnover**

The turnover shown in the profit and loss account represents the fair value of the right to the consideration, usually the price specified in the contractual arrangement, net of trade discounts, VAT and other sales related taxes. This fair value takes into account the impact of discounting, for instance in relation to deferred payment terms and where appropriate adjustment for any perceived significant credit risks. Subsequent changes to the fair value from discounting and credit risk are reported within financing income/cost or bad debt expenditure respectively.

Revenue from the sale of software relates mainly to licences which provide the customer with the right to use the group's products in perpetuity, and bespoke development. In respect of software licence sales, revenue is recognised when the licence has been delivered to a customer, the group obtains the right to consideration and collection of the consideration is probable.

Maintenance revenue is recognised on a straight-line basis over the life of the contract. Maintenance contracts, where sold together with the software licence, begin on the day of delivery of the related software licence.

Subscription revenue is recognised on a straight-line basis over the life of the contract. Subscription contracts begin on the day of delivery of the related subscription licence.

Training revenue is recognised as training services are delivered.

The group also enters into contracts for the supply of fixed and variable price services and studies. For services sold under fixed-price contracts, turnover is recognised on a percentage of completion basis, representing the value of the services provided to date based on a proportion of the total contract value. Turnover in respect of variable-price contracts is recognised on a time-and-materials basis as the services are performed.

##### **Fixed assets**

All intangible and tangible assets are initially recorded at cost. Cost includes the purchase price of the assets and the directly attributable costs of bringing the asset into its intended use.

##### **Intangible assets**

Separately acquired technology, customer relationships and brand name intangible assets are included at cost. Provision is made for any impairment. Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date. Intangible assets are stated at cost less accumulated impairment and amortisation/depreciation.

##### **Goodwill**

Goodwill arising on the acquisition of subsidiary undertakings represents any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill is recognised as an asset and a provision is made for any impairment.

Development expenditure is written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the group is expected to benefit up to a maximum of five years. Provision is made for any impairment.

## **Ikon Science Limited**

### **Notes to the financial statements (continued)** **Year ended 31 March 2022**

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

##### **Amortisation**

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

|                        |                                      |
|------------------------|--------------------------------------|
| Goodwill               | - ten years on a straight-line basis |
| Technology             | - ten years on a straight-line basis |
| Customer relationships | - ten years on a straight-line basis |

##### **Depreciation**

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

|                        |   |
|------------------------|---|
| Leasehold improvements | - lesser of five years or remaining lease term on a straight-line basis |
| Plant and machinery    | - three years on a straight-line basis                                  |
| Fixtures and fittings  | - three years on a straight-line basis                                  |

##### **Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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 Group after deducting all of its liabilities.

##### **(i) Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when a legally enforceable right to set off the recognised amounts exists and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which are either fixed rate or a positive variable rate linked to a single observable benchmark e.g. Bank of England base rate are subsequently measured at amortised cost using the effective interest method.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## **Ikon Science Limited**

### **Notes to the financial statements (continued)** **Year ended 31 March 2022**

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

##### **Financial instruments (continued)**

###### **(ii) Investments**

In the Company balance sheet, investments in subsidiaries are measured at cost less impairment as fair value cannot be reliably measured. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

###### **(iii) Equity instruments**

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

###### **(iv) Derivative financial instruments**

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

###### **(v) Fair value measurement**

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

##### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

##### **Foreign currencies**

Monetary assets and liabilities denominated 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

The results of overseas operations are translated at the rate of exchange determined for the month, and their balance sheets at the closing rate. Exchange differences arising on translation of the opening net assets are recognised in the currency translation reserve.

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## **Ikon Science Limited**

### **Notes to the financial statements (continued)** **Year ended 31 March 2022**

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

##### **Pension Scheme**

All the company's subsidiaries contribute to defined contribution pension schemes in accordance with local legal requirements.

Historically, the company has made available a stakeholder pension scheme in accordance with its legal obligations. As at 1 April 2014 the company had in place a company pension scheme, run via a salary sacrifice arrangement, for all employees on commencement of employment. Under the arrangement, after one year's service the company makes a contribution of 5% of gross salary (capped at an annual salary of £50,000) as long as the employee is contributing at least 3% of gross salary.

Auto-enrolment took place on 1 September 2014 and the company continued with the salary sacrifice arrangement. Current members continued as they were, with the right to reduce their contributions to the minimum level required under auto-enrolment, new members were auto-enrolled from 1 September 2014 and new joiners to the company are auto-enrolled after a waiting period of 3 months. The length of service criteria is no longer relevant and therefore employees are able to achieve the company's contribution immediately upon joining the scheme. The company continues to make a contribution of 5% of gross salary (capped at an annual salary of £50,000) which is in excess of the new regulations (currently 3% minimum required of the company with employee contributing 5% minimum).

The amount charged to the profit and loss account in respect of the defined contribution pension scheme is the contributions payable in the year.

##### **Exceptional Items**

Exceptional items are material and non-recurring items excluded from management's assessment of profit because by their nature they could distort the Group's underlying quality of earnings. These are excluded to reflect performance in a consistent manner and in line with how the business is managed and measured on a day-to-day basis.

##### **Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions. Amounts received are recognised net within the income statement as income or a reduction to expenses. In the current year, grant accounting has been applied to the Research and Development Expenditure Credits ("RDEC"). In the prior year, grant accounting has been applied to the Coronavirus Job Retention Scheme and Research and Development Expenditure Credits ("RDEC").

##### **Research and Development ("R&D") expenditure**

The group expenses all internally-generated R&D expenditure as incurred. This comprises the costs of the group's Software Development Team and the R&D cost centre at head office and includes all employee-related and direct operational costs including software licences and external consultants' fees. Costs also include a share of office rental costs and an appropriate allocation of general and administrative expenditure.

#### **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the course of preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations (see below), that have had a significant effect on the amounts recognised in the financial statements.

## **Ikon Science Limited**

### **Notes to the financial statements (continued)** **Year ended 31 March 2022**

#### **2. Critical accounting judgements and key sources of estimation uncertainty (continued)**

##### **Key source of estimation uncertainty**

##### **(i) – Unbundling of revenue on customer contracts**

Where a contractual arrangement with a customer constitutes more than one service it is first necessary to consider whether the services operate independently of each other, i.e. are the components unrelated and capable of being sold individually or are they so closely related that their individual sale is not commercially feasible.

If the services do not operate independently revenue should be recognised as a combined service by considering the contractual obligations of the contract as a whole.

If the services operate independently then actual contract prices are ignored and it is necessary to unbundle the services and attribute fair value to each component in the following order with revenue recognised in accordance with the accounting policies set out in note 1:

- a) Professional services – a project plan is drawn up detailing time requirements for each employee and the fair value is quantified using standard daily rates (based on time apportionment of each employees' gross salary);
- b) Software maintenance and support – recognise over the term of the contract at standard pricing; and
- c) Software licence or subscription – the fair value of licence or subscription revenue is deemed to be the balance of revenue after taking into account revenues from all other components. Subscription revenue is recognised over the term of the contract.

##### **(ii) – Assessment of percentage of completion on fixed price contracts**

As set out in note 1, the Group enters into contracts for the supply of fixed price services and studies. For services sold under fixed-price contracts, turnover is recognised on a percentage of completion basis, representing the value of the services provided to date based on a proportion of the total contract value. Percentage of completion is estimated by project managers using the best available information including the collation of employee timesheets to track work performed and project stages completed and expectations of remaining work necessary to fulfil the group's obligations under the contract.

##### **(iii) – Forecasts used in goodwill and intangible impairment assessment and going concern**

Management prepares detailed forecasts and projections for the Group which reflect the current market environment and take account of reasonable possible changes in trading performance and which can be offset by mitigating actions. With the Covid-19 pandemic these forecasts contain key estimates regarding possible reductions in revenues offset by achievable cost reductions.

The Group uses cash flow projections based on financial forecasts covering a five-year period, and a discount rate of 21.6 per cent per annum (2021: 21.6 per cent per annum). Cash flows beyond that five-year period have been extrapolated using a terminal value based on the discount rate and no long term growth rate applied. The lookout period growth rate for recurring revenue and non-recurring revenue is estimated by the directors of the Company based on past performance of the Group and their expectations of market development. The directors estimate that a decrease in growth rate of 30 per cent below the forecast growth rate of the recurring revenues would reduce the headroom in the Group to nil but would not result in an impairment charge.

##### **(iv) – Deferred tax assets**

Carry forward losses and unused incentive tax credits are recognised as a deferred tax asset to the extent that sufficient taxable temporary differences are available or if it is likely that future taxable profits will be available against which losses can be set off. Judgment is involved to establish the extent to which expected future profits substantiate the recognition of a carry forward loss.



## Ikon Science Limited

### Notes to the financial statements (continued) Year ended 31 March 2022

#### 3. Turnover

The turnover is attributable to the provision of high-end subsurface evaluations, studies, software sales and services, and training to the oil and gas industry.

An analysis of turnover based on customer location is given below:

|  | 2022              | 2021              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| United Kingdom                                 | 1,479,819         | 1,491,997         |
| Rest of the world                              | 17,152,693        | 16,458,495        |
|  | <u>18,632,512</u> | <u>17,950,492</u> |
| Geoprediction software                         | 14,882,600        | 14,199,266        |
| Geoprediction consulting, training and studies | 3,749,912         | 3,751,226         |
|  | <u>18,632,512</u> | <u>17,950,492</u> |

#### 4. Operating loss

a) Operating loss is stated after charging:

|   | 2022      | 2021      |
|---|-----------|-----------|
|   | £         | £         |
| Operating lease rentals                                   | 718,898   | 786,476   |
| Amortisation of intangible IPR assets (note 10)           | 488,899   | 488,899   |
| Amortisation of intangible goodwill assets (note 10)      | 239,922   | 239,922   |
| Depreciation of owned fixed assets (note 11)              | 185,578   | 275,289   |
| (Gain) on disposal of fixed assets                        | -         | (413)     |
| Net loss / (gain) on re-translation of foreign currencies | 218,188   | 61,055    |
| Bad debts written off                                     | (52,251)  | 51,816    |
| Income from the Coronavirus job retention scheme          | -         | (91,121)  |
| Income from Research and development expenditure credit   | (153,110) | (305,323) |

Amortisation of intangible assets and goodwill is included within other administrative expenses in the consolidated profit and loss account.

## Ikon Science Limited

### Notes to the financial statements (continued) Year ended 31 March 2022

#### 4. Operating loss (continued)

The analysis of the auditor's remuneration is as follows:

|   | 2022<br>£     | 2021<br>£     |
|---|---------------|---------------|
| Fees payable to the company's auditor and its associates for the audit of the company's annual accounts | 60,000        | 53,025        |
| Fees payable to the company's auditor and its associates for other services to the Group                |               |               |
| The audit of the company's subsidiaries   | 25,000        | 24,538        |
| <b>Total audit fees</b>   | <b>85,000</b> | <b>77,563</b> |
| Taxation compliance services  | 55,922        | 150           |
| Taxation advisory services  | 23,842        | -             |
| Other services  | 538           | -             |
| <b>Total non-audit fees</b>   | <b>80,302</b> | <b>150</b>    |

The following analysis illustrates the performance of the Group's activities and reconciles the group's operating loss to adjusted EBITDA:

#### b) Earnings before interest, tax, depreciation and amortisation ("EBITDA")

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| Operating loss  | (1,074,397)      | (1,201,043)      |
| Add back:   |                  |                  |
| Depreciation of owned fixed assets (note 4a)                      | 185,578          | 275,289          |
| Amortisation of intangible IPR assets (note 4a)                   | 488,899          | 488,899          |
| Amortisation of goodwill (note 4a)                                | 239,922          | 239,922          |
| <b>EBITDA</b>   | <b>(159,998)</b> | <b>(196,933)</b> |
| Adjustments:  |                  |                  |
| Net (gain)/loss on re-translation of foreign currencies (note 4a) | 218,188          | 61,055           |
| Provision for doubtful debts (note 4a)                            | (52,251)         | 51,816           |
| <b>ADJUSTED EBITDA</b>  | <b>5,939</b>     | <b>(84,062)</b>  |
| Add back: Internally-generated R&D Expenditure                    | 3,729,414        | 3,787,492        |
| <b>ADJUSTED EBITDA (before R&amp;D Expenditure)</b>               | <b>3,735,353</b> | <b>3,703,430</b> |

In arriving at operating profit, the group expenses all internally-generated R&D expenditure as incurred (refer Note 1). The directors consider that while this treatment is appropriate in the calculation of EBITDA, to also indicate the impact of the significant amounts of expenditure incurred in the year provides an important additional non-statutory measure of the performance of the business.

## Ikon Science Limited

### Notes to the financial statements (continued) Year ended 31 March 2022

#### 5. Staff costs

The average number of staff employed by the group and company during the financial year amounted to:

|   | Group      |            | Company   |           |
|---|------------|------------|-----------|-----------|
|   | 2022       | 2021       | 2022      | 2021      |
|   | No.        | No.        | No.       | No.       |
| Geoprediction software                          | 41         | 42         | 31        | 31        |
| Geoprediction consulting, training and studies  | 33         | 28         | 14        | 12        |
| Management, sales, marketing and administration | 52         | 58         | 21        | 24        |
| Number of staff                                 | <u>126</u> | <u>128</u> | <u>66</u> | <u>67</u> |

The aggregate payroll costs of the above were:

|                                   | Group             |                   | Company          |                  |
|-----------------------------------|-------------------|-------------------|------------------|------------------|
|                                   | 2022              | 2021              | 2022             | 2021             |
|                                   | £                 | £                 | £                | £                |
| Wages and salaries                | 10,846,174        | 10,694,691        | 4,803,192        | 5,104,565        |
| Social security costs             | 768,023           | 899,349           | 497,771          | 591,682          |
| Defined contribution pension cost | 454,714           | 431,666           | 134,925          | 143,934          |
|                                   | <u>12,068,911</u> | <u>12,025,706</u> | <u>5,435,888</u> | <u>5,840,181</u> |

The above costs are allocated as follows:

|                         | 2022              | 2021              | 2022             | 2021             |
|-------------------------|-------------------|-------------------|------------------|------------------|
|                         | £                 | £                 | £                | £                |
| Cost of sales           | 4,836,318         | 4,397,106         | 1,717,657        | 1,787,045        |
| Administrative expenses | 7,232,593         | 7,628,600         | 3,718,231        | 4,053,136        |
|                         | <u>12,068,911</u> | <u>12,025,706</u> | <u>5,435,888</u> | <u>5,840,181</u> |

# Ikon Science Limited

## Notes to the financial statements (continued) Year ended 31 March 2022

### 6. Finance costs

|   | Group            |                    | Company          |                    |
|---|------------------|--------------------|------------------|--------------------|
|   | 2022             | 2021               | 2022             | 2021               |
|   | £                | £                  | £                | £                  |
| Interest payable and similar expenses         | (955,084)        | (1,045,098)        | (955,084)        | (1,045,098)        |
| Interest receivable and similar income        | 597              | 585                | 201              | 485                |
|   | <u>(954,487)</u> | <u>(1,044,513)</u> | <u>(954,883)</u> | <u>(1,044,613)</u> |
| <b>Interest receivable and similar income</b> |                  |                    |                  |                    |
|   | 2022             | 2021               | 2022             | 2021               |
|   | £                | £                  | £                | £                  |
| Other interest receivable and similar income  | 597              | 585                | 201              | 485                |
|   | <u>597</u>       | <u>585</u>         | <u>201</u>       | <u>485</u>         |
| <b>Interest payable and similar expenses</b>  |                  |                    |                  |                    |
|   | 2022             | 2021               | 2022             | 2021               |
|   | £                | £                  | £                | £                  |
| Bank loans and overdrafts                     | (955,084)        | (1,045,098)        | (955,084)        | (1,045,098)        |
|   | <u>(955,084)</u> | <u>(1,045,098)</u> | <u>(955,084)</u> | <u>(1,045,098)</u> |

### 7. Directors' remuneration and transactions

#### Directors' remuneration:

|   | 2022           | 2021           |
|---|----------------|----------------|
|   | £              | £              |
| Emoluments  | 585,467        | 633,548        |
| Company contributions to defined contribution pension schemes | 5,000          | 4,583          |
|   | <u>590,467</u> | <u>638,131</u> |

#### Remuneration of highest-paid director:

|            |                |                |
|------------|----------------|----------------|
| Emoluments | <u>234,746</u> | <u>243,548</u> |
|------------|----------------|----------------|

The company made contributions of nil (2021: nil) to defined contribution pension schemes in respect of the highest paid director.

#### The number of directors who:

|  | 2022     | 2021     |
|--|----------|----------|
|  | Number   | Number   |
| Are members of a defined contribution pension scheme | <u>2</u> | <u>2</u> |

## Ikon Science Limited

### Notes to the financial statements (continued) Year ended 31 March 2022

#### 8. Tax (credit) / charge on loss

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 21. Deferred tax assets and liabilities at 31 March 2022 have been measured using these newly enacted tax rates.

|   | 2022<br>£   | 2021<br>£   |
|---|-------------|-------------|
| <b>Analysis of Group tax credit/(charge) in the year:</b>                   |             |             |
| UK current tax (credit) / charge  | -           | -           |
| Adjustments to UK current tax credit in respect of prior years              | -           | -           |
| Adjustments to overseas current tax charge in respect of prior years        | (19,555)    | (46,978)    |
| Non-claimable withholding taxes on foreign income in the year               | 82,914      | 12,474      |
| Foreign current tax charge  | 36,207      | (1,678)     |
|   | <hr/>       | <hr/>       |
| Total current tax charge / (credit) for the year                            | 99,566      | (36,182)    |
| Deferred tax credit (see note 14)   | (588,155)   | 305,540     |
|   | <hr/>       | <hr/>       |
| Total tax (credit) / charge   | (488,589)   | 269,358     |
|   | <hr/>       | <hr/>       |
| <b>Group current tax reconciliation:</b>                                    |             |             |
| Loss before taxation  | (2,028,884) | (2,245,556) |
|   | <hr/>       | <hr/>       |
| Tax on loss at standard UK corporation tax rate of 19% (2021: 19%)          | (385,488)   | (426,655)   |
|   | <hr/>       | <hr/>       |
| Effect of:  |             |             |
| Capital allowances in excess of depreciation                                | (1,760)     | 986         |
| Amortisation of goodwill  | 45,585      | 45,584      |
| Expenses not deductible   | 66,195      | 27,982      |
| Adjustments to brought forward balances                                     | 572         | 915         |
| Other differences   | (12,537)    | (2,809)     |
| R&D expenditure credits   | 8,085       | (20,961)    |
| Group relief surrendered / (claimed)  | -           | 42,636      |
|   | <hr/>       | <hr/>       |
| Tax on overseas income - current tax withheld on foreign income in the year | 82,914      | 12,474      |
| Deferred tax not recognised   | (22,974)    | 430,617     |
| Effect of other tax rates   | (2)         | 5,895       |
|   | <hr/>       | <hr/>       |
| Adjustments to deferred tax credit in respect of prior years                | (4,837)     | 199,672     |
|   | <hr/>       | <hr/>       |
| Adjustments to overseas current tax credit in respect of prior years        | 13,732      | (46,978)    |
|   | <hr/>       | <hr/>       |
| Differences in current and deferred tax rates                               | (278,074)   | -           |
|   | <hr/>       | <hr/>       |
| Total tax (credit) / charge   | (488,589)   | 269,358     |
|   | <hr/>       | <hr/>       |

**Ikon Science Limited****Notes to the financial statements (continued)**  
**Year ended 31 March 2022****8. Tax charge on loss (continued)**

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| <b>Group corporation tax debtor:</b>                                      |                  |                  |
| Opening balance debtor  | (198,921)        | 46,773           |
| Current tax charge for the year   | -                | -                |
| Adjustments to UK current tax (credit) / charge in respect of prior years | -                | -                |
| Adjustments to overseas current credit in respect of prior years          | (19,555)         | (46,978)         |
| Non-claimable withholding taxes included in foreign current year charge   | 82,914           | 12,474           |
| Foreign tax charge  | 36,207           | (1,678)          |
| RDEC receivable   | (124,019)        | (144,743)        |
| RDEC corporation tax receivable   | (29,091)         | (58,447)         |
| Net repayments received / (payments)                                      | 28,122           | (5,977)          |
| Exchange loss   | (162)            | (345)            |
| Closing balance net (debtor) / creditor                                   | <u>(224,505)</u> | <u>(198,921)</u> |
| Comprising:   |                  |                  |
| Corporation tax receivable (note 13)                                      | (224,505)        | (215,939)        |
| Corporation tax payable (note 15)   | -                | 17,018           |
|   | <u>(224,505)</u> | <u>(198,921)</u> |
| <b>Company tax charge in the year:</b>                                    |                  |                  |
| UK current tax credit   | -                | -                |
| Adjustments to UK current tax credit in respect of prior years            | -                | -                |
| Adjustments to foreign tax in respect of prior years                      | 1,360            | (4,818)          |
| Non-claimable withholding taxes on foreign income in the year             | 69,266           | 12,154           |
| Total UK current tax charge   | <u>70,626</u>    | <u>7,336</u>     |

**9. Profit attributable to members of the parent company**

The loss for the financial year dealt with in the financial statements of the parent company was £1,264,806 (2021: loss £152,836). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is prepared in respect of the parent company.

# Ikon Science Limited

## Notes to the financial statements (continued) Year ended 31 March 2022

### 10. Intangible fixed assets

| Group                 | Intellectual<br>property<br>rights<br>£           | Goodwill<br>£         | Total<br>intangible<br>fixed assets<br>£           |
|-----------------------|---|-----------------------|--|
| <b>Cost</b>           |   |                       |  |
| At 1 April 2021       | 8,651,250   | 2,399,220             | 11,050,470   |
| At 31 March 2022      | 8,651,250   | 2,399,220             | 11,050,470   |
| <b>Amortisation</b>   |   |                       |  |
| At 1 April 2021       | 4,882,647   | 526,526               | 5,409,173  |
| Charge for the year   | 488,899   | 239,922               | 728,821  |
| At 31 March 2022      | 5,371,546   | 766,448               | 6,137,994  |
| <b>Net book value</b> |   |                       |  |
| At 31 March 2022      | 3,279,704   | 1,632,772             | 4,912,476  |
| At 31 March 2021      | 3,768,603   | 1,872,694             | 5,641,297  |
| <b>Company</b>        | <b>Intellectual<br/>property<br/>rights<br/>£</b> | <b>Goodwill<br/>£</b> | <b>Total<br/>intangible<br/>fixed assets<br/>£</b> |
| <b>Cost</b>           |   |                       |  |
| At 1 April 2021       | 3,762,253   | 6,089,976             | 9,852,229  |
| At 31 March 2022      | 3,762,253   | 6,089,976             | 9,852,229  |
| <b>Amortisation</b>   |   |                       |  |
| At 1 April 2021       | 3,762,253   | 539,998               | 4,302,251  |
| Charge for the year   | -   | 719,997               | 719,997  |
| At 31 March 2022      | 3,762,253   | 1,259,995             | 5,022,248  |
| <b>Net book value</b> |   |                       |  |
| At 31 March 2022      | -   | 4,829,981             | 4,829,981  |
| At 31 March 2021      | -   | 5,549,978             | 5,549,978  |

## Ikon Science Limited

### Notes to the financial statements (continued) Year ended 31 March 2022

#### 11. Tangible fixed assets

| Group                 | Leasehold<br>improvement<br>£ | Plant and<br>machinery<br>£ | Fixtures &<br>fittings<br>£ | Total<br>£ |
|-----------------------|-------------------------------|-----------------------------|-----------------------------|------------|
| <b>Cost</b>           |                               |                             |                             |            |
| At 1 April 2021       | 223,213                       | 2,788,046                   | 493,218                     | 3,504,477  |
| Additions             | -                             | 38,077                      | 8,465                       | 46,542     |
| Disposals             | -                             | -                           | -                           | -          |
| Exchange adjustment   | 2,193                         | 19,341                      | 8,110                       | 29,644     |
| At 31 March 2022      | 225,406                       | 2,845,464                   | 509,793                     | 3,580,663  |
| <b>Depreciation</b>   |                               |                             |                             |            |
| At 1 April 2021       | 202,745                       | 2,552,882                   | 436,821                     | 3,192,448  |
| Charge for the year   | 2,741                         | 161,829                     | 21,008                      | 185,578    |
| Disposals             | -                             | -                           | -                           | -          |
| Exchange adjustment   | 1,505                         | 17,921                      | 6,514                       | 25,940     |
| At 31 March 2022      | 206,991                       | 2,732,632                   | 464,343                     | 3,403,966  |
| <b>Net book value</b> |                               |                             |                             |            |
| At 31 March 2022      | 18,415                        | 112,832                     | 45,450                      | 176,697    |
| At 31 March 2021      | 20,468                        | 235,164                     | 56,397                      | 312,029    |



# Ikon Science Limited

## Notes to the financial statements (continued) Year ended 31 March 2022

### 11. Tangible fixed assets (continued)

| Company               | Leasehold<br>improvement<br>£ | Plant and<br>machinery<br>£ | Fixtures &<br>fittings<br>£ | Total<br>£ |
|-----------------------|-------------------------------|-----------------------------|-----------------------------|------------|
| <b>Cost</b>           |                               |                             |                             |            |
| At 1 April 2021       | 180,835                       | 2,116,567                   | 274,929                     | 2,572,331  |
| Additions             | -                             | 22,551                      | -                           | 22,551     |
| Disposals             | -                             | -                           | -                           | -          |
| At 31 March 2022      | 180,835                       | 2,139,118                   | 274,929                     | 2,594,882  |
| <b>Depreciation</b>   |                               |                             |                             |            |
| At 1 April 2021       | 179,484                       | 1,967,517                   | 271,618                     | 2,418,619  |
| Charge for the year   | 1,351                         | 101,793                     | 1,632                       | 104,776    |
| Disposals             | -                             | -                           | -                           | -          |
| At 31 March 2022      | 180,835                       | 2,069,310                   | 273,250                     | 2,523,395  |
| <b>Net book value</b> |                               |                             |                             |            |
| At 31 March 2022      | -                             | 69,808                      | 1,679                       | 71,487     |
| At 31 March 2021      | 1,351                         | 149,050                     | 3,311                       | 153,712    |

### 12. Investments

| Company  | Group<br>companies<br>£ |
|--|-------------------------|
| <b>Cost</b>  |                         |
| At 1 April 2021  | 1,727,205               |
| Transfer of investment from another group company      | 600                     |
| Write off of investment on dissolution of subsidiaries | (370,100)               |
| At 31 March 2022                                       | 1,357,705               |
| <b>Accumulated impairment</b>                          |                         |
| At 1 April 2021  | 301,258                 |
| At 31 March 2022                                       | 301,258                 |
| <b>Net book value</b>                                  |                         |
| At 31 March 2022                                       | 1,056,447               |
| At 31 March 2021                                       | 1,425,947               |

## Ikon Science Limited

### Notes to the financial statements (continued) Year ended 31 March 2022

#### 12. Investments (continued)

The parent company has investments in the following subsidiary undertakings which principally affected the profits or net assets of the group:

| Name of subsidiary                    | Country of incorporation & registered address                                       | Holding         | Proportion of voting rights and shares held | Nature of business                             |
|---------------------------------------|---|-----------------|---|--|
| Ikon Science Americas, Inc.           | United States of America<br>12140 Wickchester Lane, Suite 400, Houston, Texas 77079 | Ordinary shares | 100%+                                       | Software development, training and consultancy |
| Ikon Science Asia Pacific Pty Limited | Australia<br>45 Ventnor Avenue, West Perth 6005                                     | Ordinary shares | 100%+                                       | Software development, training and consultancy |
| Ikon Science Canada Limited           | Canada<br>Suite 1600, 144-4th Avenue SW, Calgary, Alberta T2P 3N4                   | Ordinary shares | 100%+                                       | Software development, training and consultancy |
| Ikon Science do Brasil Limitada       | Brazil<br>Rua da Quitanda 86, 2º andar, Rio de Janeiro, 20091-005                   | Ordinary shares | 100% <sup>1</sup>                           | Software development, training and consultancy |

**Ikon Science Limited****Notes to the financial statements (continued)**  
**Year ended 31 March 2022****12. Investments (continued)**

| <b>Name of subsidiary</b>       | <b>Country of incorporation &amp; registered address</b>   | <b>Holding</b>  | <b>Proportion of voting rights and shares held</b> | <b>Nature of business</b>                         |
|---------------------------------|--|-----------------|--|---|
| Ikon Science Malaysia Sdn Bhd   | Malaysia<br>Lot E, Level 16,<br>Tower 2, Etiqa<br>Twins, 11 Jalan<br>Pinang, 50450,<br>Kuala Lumpur,<br>Malaysia | Ordinary shares | 100%+  | Software development,<br>training and consultancy |
| Ikon Science Singapore Pte. Ltd | Singapore<br>Axa Tower<br>8 Shenton Way<br>Singapore   | Ordinary shares | 100%+  | Software development,<br>training and consultancy |
| Perigon Solutions Holdings Ltd  | Scotland<br>Ferbank<br>4/2 Allanshaw<br>Gardens<br>Hamilton<br>ML3 8NU   | Ordinary shares | 100%+  | Non-trading                                       |
| Perigon Solutions Ltd           | Scotland<br>Ferbank<br>4/2 Allanshaw<br>Gardens<br>Hamilton<br>ML3 8NU   | Ordinary shares | 100% <sup>2</sup>                                  | Non-trading                                       |
| Perigon Data Solutions Inc.     | United States of<br>America<br>1675 State Street<br>Suite B, Dover<br>DE 19901                                   | Ordinary shares | 100% <sup>3</sup>                                  | Non-trading                                       |

<sup>1</sup> 95% is held directly by Ikon Science Limited with the remaining 5% held by Ikon Science Americas, Inc.<sup>2</sup> 100% is held directly by Perigon Solutions Holdings Limited a 100% owned subsidiary of Ikon Science Limited<sup>3</sup> 100% is held directly by Perigon Solutions Limited a 100% owned subsidiary of Perigon Solutions Holdings Limited

+ Held directly by Ikon Science Limited.

## Ikon Science Limited

### Notes to the financial statements (continued) Year ended 31 March 2022

#### 13. Debtors: amounts falling due within one year

|  | Group            |                  | Company           |                   |
|--|------------------|------------------|-------------------|-------------------|
|  | 2022             | 2021             | 2022              | 2021              |
|  | £                | £                | £                 | £                 |
| Trade debtors                            | 3,771,178        | 4,395,823        | 636,458           | 1,574,186         |
| Amounts owed by parent company           | 1,653,917        | 1,592,563        | 1,653,917         | 1,592,563         |
| Amounts owed by subsidiaries             | -                | -                | 11,330,459        | 13,475,824        |
| Amounts owed by other group undertakings | 11,274           | 10,855           | 11,274            | 10,855            |
| Corporation tax                          | 224,505          | 215,939          | 211,558           | 203,190           |
| Other debtors                            | 250,333          | 217,643          | 173,206           | 167,654           |
| Prepayments                              | 1,258,387        | 1,397,073        | 1,011,309         | 1,092,080         |
| Accrued income                           | 849,645          | 862,209          | 650,311           | 611,586           |
|  | <u>8,019,239</u> | <u>8,692,105</u> | <u>15,678,492</u> | <u>18,727,938</u> |

Amounts owed by Group undertakings are unsecured non-interest bearing and payable on demand.

#### 14. Deferred taxation

The movement in the deferred taxation assets during the year was:

|   | Group            |                | Company          |                  |
|---|------------------|----------------|------------------|------------------|
|   | 2022             | 2021           | 2022             | 2021             |
|   | £                | £              | £                | £                |
| Net deferred tax assets brought forward | 570,487          | 876,027        | 1,286,521        | 1,680,346        |
| Transfer of assets from subsidiary      | -                | -              | -                | 4,607            |
| Charge / (credit) for the year          | 588,155          | (305,540)      | 692,046          | (398,432)        |
| Net deferred tax assets carried forward | <u>1,158,642</u> | <u>570,487</u> | <u>1,978,567</u> | <u>1,286,521</u> |

The group's net deferred tax assets consist of the tax effect of timing differences in respect of:

| Group   | 2022             |                  | 2021             |                  |
|---|------------------|------------------|------------------|------------------|
|   | Provided         | Un-provided      | Provided         | Un-provided      |
|   | £                | £                | £                | £                |
| Difference between taxation allowances and depreciation of fixed assets | 49,996           | -                | 33,835           | -                |
| Short term timing differences   | 28,972           | -                | 18,716           | -                |
| Tax losses carried forward  | 1,899,599        | 2,831,169        | 1,233,970        | 2,116,124        |
| Total current deferred tax asset  | <u>1,978,567</u> | <u>2,831,169</u> | <u>1,286,521</u> | <u>2,116,124</u> |
| Deferred tax liabilities on intangibles                                 | (819,925)        | -                | (716,034)        | -                |
| Net deferred tax assets carried forward                                 | <u>1,158,642</u> | <u>2,831,169</u> | <u>570,487</u>   | <u>2,116,124</u> |

To be able to be offset against the taxable profits expected to arise in the next accounting period. An amount of £2,831,169 (2021: £2,116,124) of deferred tax in respect of tax losses has not been recognised as these are not certain to fully reverse in the near future

## Ikon Science Limited

### Notes to the financial statements (continued) Year ended 31 March 2022

#### 14. Deferred taxation (continued)

The company's deferred tax asset consists of the tax effect of timing differences in respect of:

| Company   | 2022             |                      | 2021             |                      |
|---|------------------|----------------------|------------------|----------------------|
|   | Provided<br>£    | Un-<br>provided<br>£ | Provided<br>£    | Un-<br>provided<br>£ |
| Difference between taxation allowances and depreciation of fixed assets | 49,996           | -                    | 33,835           | -                    |
| Short term timing differences   | 28,972           | -                    | 18,716           | -                    |
| Tax losses carried forward  | 1,899,599        | -                    | 1,233,970        | -                    |
| Total   | <u>1,978,567</u> | <u>-</u>             | <u>1,286,521</u> | <u>-</u>             |

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

|                                    | Group            |                  | Company          |                   |
|------------------------------------|------------------|------------------|------------------|-------------------|
|                                    | 2022<br>£        | 2021<br>£        | 2022<br>£        | 2021<br>£         |
| Trade creditors                    | 360,900          | 354,943          | 266,292          | 241,391           |
| Amounts owed to subsidiaries       | -                | -                | 2,633,384        | 5,962,990         |
| Corporation tax                    | -                | 17,018           | -                | -                 |
| Other taxation and social security | 259,900          | 260,848          | 169,644          | 137,835           |
| Other creditors                    | -                | 32,257           | -                | -                 |
| Deferred income                    | 6,876,322        | 7,448,461        | 1,969,633        | 3,051,487         |
| Bank loans                         | 756,888          | 364,405          | 756,888          | 364,405           |
| Accruals                           | 1,295,066        | 1,443,367        | 851,437          | 1,013,997         |
|                                    | <u>9,549,076</u> | <u>9,921,299</u> | <u>6,647,278</u> | <u>10,772,105</u> |

Amounts owed to Group undertakings are non-interest bearing and payable on demand.

Bank loans of \$20,000,000 with a current interest rate of 6.425% were borrowed during 2020. The loan facility was agreed on 15 October 2020 and matures on 15 October 2024. Repayments commenced after 15 October 2021 on the last day of each quarter at \$250,000 per quarter with the balance of the loan repayable on the maturity date. The balance of these loans as at 31 March 2022 was \$19,500,000 (2021: \$20,000,000). The loans are secured by a grant of a security interest over the assets of Ikon Science Ltd, Ikon Science Americas Inc and Ikon Science Intermediate Ltd.

#### 16. Creditors: amounts falling due greater than one year

|            | Group             |                   | Company           |                   |
|------------|-------------------|-------------------|-------------------|-------------------|
|            | 2022<br>£         | 2021<br>£         | 2022<br>£         | 2021<br>£         |
| Bank loans | 14,002,422        | 14,211,792        | 14,002,422        | 14,211,792        |
|            | <u>14,002,422</u> | <u>14,211,792</u> | <u>14,002,422</u> | <u>14,211,792</u> |

Bank loans of \$20,000,000 with a current interest rate of 6.425% were borrowed during 2020. The loan facility was agreed on 15 October 2020 and matures on 15 October 2024. Repayments commenced after 15 October 2021 on the last day of each quarter at \$250,000 per quarter with the balance of the loan repayable on the maturity date. The balance of these loans as at 31 March 2022 was \$19,500,000 (2021: \$20,000,000). The loans are secured by a grant of a security interest over the assets of Ikon Science Ltd, Ikon Science Americas Inc and Ikon Science Intermediate Ltd.

## Ikon Science Limited

### Notes to the financial statements (continued) Year ended 31 March 2022

#### 17. Financial instruments

The carrying values of the group's financial assets and liabilities are summarised by category below:

|   | <b>Group</b>      |                   |
|---|-------------------|-------------------|
|   | <b>2022</b>       | <b>2021</b>       |
|   | <b>£</b>          | <b>£</b>          |
| <b>Financial assets</b>                     |                   |                   |
| Measured at amortised cost                  |                   |                   |
| Trade debtors                               | 3,771,178         | 4,395,823         |
| Measured at undiscounted amounts receivable |                   |                   |
| Other debtors                               | 31,589            | 217,643           |
| Accrued Income                              | 849,645           | 862,209           |
| Cash and cash equivalents                   | 3,735,832         | 5,200,098         |
|   | <u>8,388,244</u>  | <u>10,675,773</u> |
|   |                   |                   |
|   | <b>Group</b>      |                   |
|   | <b>2022</b>       | <b>2021</b>       |
|   | <b>£</b>          | <b>£</b>          |
| <b>Financial liabilities</b>                |                   |                   |
| Measured at undiscounted amounts payable    |                   |                   |
| Trade and other creditors                   | 360,900           | 354,943           |
| Deferred income                             | 6,876,322         | 7,448,461         |
| Accruals                                    | 1,295,960         | 1,443,367         |
| Term loan                                   | 14,238,335        | 14,576,197        |
|   | <u>22,771,517</u> | <u>23,822,968</u> |

The group's income, expenses, gains and losses in respect of financial instruments are summarised below:

|  | <b>Group</b>     |                    |
|--|------------------|--------------------|
|  | <b>2022</b>      | <b>2021</b>        |
|  | <b>£</b>         | <b>£</b>           |
| <b>Interest income and expense</b>                                 |                  |                    |
| Total interest income for financial assets at amortised cost       | 597              | 585                |
| Total interest expense for financial liabilities at amortised cost | <u>(955,084)</u> | <u>(1,045,098)</u> |

# Ikon Science Limited

## Notes to the financial statements (continued) Year ended 31 March 2022

### 18. Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases were as follows.

| Group                 | Land and buildings |                  | Other         |               |
|-----------------------|--------------------|------------------|---------------|---------------|
|                       | 2022               | 2021             | 2022          | 2021          |
|                       | £                  | £                | £             | £             |
| Within 1 year         | 481,799            | 680,857          | 29,297        | 36,745        |
| Between 1 and 5 years | 170,131            | 408,897          | 36,349        | 55,180        |
| Greater than 5 years  | 24,065             | -                | -             | 610           |
|                       | <u>675,995</u>     | <u>1,089,754</u> | <u>65,646</u> | <u>92,535</u> |

The company had total commitments under non-cancellable operating leases as set out below.

| Company               | Land and buildings |                | Other         |               |
|-----------------------|--------------------|----------------|---------------|---------------|
|                       | 2022               | 2021           | 2022          | 2021          |
|                       | £                  | £              | £             | £             |
| Within 1 year         | 264,860            | 276,286        | 8,136         | 7,320         |
| Between 1 and 5 years | -                  | 264,860        | 23,590        | 29,280        |
| Greater than 5 years  | -                  | -              | -             | 610           |
|                       | <u>264,860</u>     | <u>541,146</u> | <u>31,726</u> | <u>37,210</u> |

### 19. Related party transactions

The total remuneration for key management personnel for the period totalled £802,507 (2021: £955,001), including directors remuneration disclosed in note 6, remuneration of the senior management team and share-based payment expenses of £nil (2021: £nil).

## Ikon Science Limited

### Notes to the financial statements (continued) Year ended 31 March 2022

#### 20. Called-up share capital and reserves

|  | 2022 |                | 2021 |                |
|--|------|----------------|------|----------------|
|  | £    |                | £    |                |
| <b>Authorised share capital</b>                      |      |                |      |                |
| 1,000,000 Ordinary shares of £0.10 each              |      | 100,000        |      | 100,000        |
| 63,401 (2021: 63,401) Preferred shares of £0.10 each |      | 6,340          |      | 6,340          |
|  |      | <u>106,340</u> |      | <u>106,340</u> |

|   | 2022           |               | 2021           |               |
|---|----------------|---------------|----------------|---------------|
|   | No.            | £             | No.            | £             |
| <b>Allotted, called up and fully paid</b> |                |               |                |               |
| Ordinary shares of £0.10 each             | 362,457        | 36,246        | 362,457        | 36,246        |
| Preferred shares of £0.10 each            | 63,401         | 6,340         | 63,401         | 6,340         |
|   | <u>425,858</u> | <u>42,586</u> | <u>425,858</u> | <u>42,586</u> |

The group and company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The currency translation reserve contains cumulative gains or losses on the re-translation of overseas operations.

The profit and loss reserve represents cumulative profits or losses.

The equity reserve represents the cumulative fair value of equity settled share-based payments to certain employees cumulatively expensed through the profit and loss account.

#### 21. Notes to cash flow statement

Reconciliation of operating loss to net cash generated by operations

|   | 2022             | 2021          |
|---|------------------|---------------|
|   | £                | £             |
| Operating loss  | (1,074,397)      | (1,201,043)   |
| Less other income   | (153,110)        | (396,444)     |
| Operating loss before other income                        | (1,227,507)      | (1,597,487)   |
| Amortisation (note 10)                                    | 728,821          | 728,821       |
| Depreciation (note 11)                                    | 185,578          | 275,289       |
| Gain on disposal of fixed assets (note 4)                 | -                | (413)         |
| Government grants received                                | 144,743          | 193,254       |
| Foreign tax received                                      | -                | 19,663        |
| Foreign tax paid  | (116,584)        | (25,640)      |
| Operating cash outflow before movement in working capital | (284,949)        | (406,513)     |
| Decrease / (increase) in operating debtors                | 827,347          | 1,446,945     |
| (Decrease) / (increase) in operating creditors            | (931,246)        | (1,019,754)   |
| Cash (outflow) / generated by operations                  | <u>(388,848)</u> | <u>20,678</u> |



## **Ikon Science Limited**

### **Notes to the financial statements (continued)** **Year ended 31 March 2022**

#### **22. Ultimate parent company and controlling interest**

The immediate parent is Ikon Intermediate Limited, a company incorporated in UK with a registered address 1 The Crescent, Surbiton, Surrey, KT6 4BN.

The ultimate parent company is Ikon Parent Ltd, a company incorporated in the UK with a registered address 1 The Crescent, Surbiton, Surrey, KT6 4BN.

The ultimate controlling party is Great Hill Equity Partners VI-A, LP which is a Cayman Islands limited partnership, by virtue of their shareholding.

Ikon Parent Limited is the largest company which consolidates the Company.

#### **23. Post balance sheet events**

There were no post balance sheet events.