

Registration number: 04272419

Ipsotek Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2017

Ballards LLP
Chartered Accountants
Oakmoore Court
11c Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

FRIDAY



L16 *L7FERMHN* #52
28/09/2018
COMPANIES HOUSE

Ipsotek Limited
Contents

Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3 to 7

Ipsotek Limited
Company Information

Directors	Mr A Eggington Mr W Flind Mr C Gomersall Dr B Boghossian
Company secretary	Mr A Eggington
Registered office	Acre House 11 - 15 William Road London NW1 3ER
Solicitors	Davonport Lyons 30 Old Burlington Street London NW1 3ER
Auditors	Ballards LLP Chartered Accountants Oakmoore Court 11c Kingswood Road Hampton Lovett Droitwich Worcestershire WR9 0QH


Ipsotek Limited
(Registration number: 04272419)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	25,550	32,825
Current assets			
Stocks	6	451,463	450,027
Debtors	7	452,246	1,338,367
Cash at bank and in hand		55,418	314,328
		<u>959,127</u>	<u>2,102,722</u>
Creditors: Amounts falling due within one year	8	<u>(10,656,495)</u>	<u>(10,293,163)</u>
Net current liabilities		<u>(9,697,368)</u>	<u>(8,190,441)</u>
Net liabilities		<u>(9,671,818)</u>	<u>(8,157,616)</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		<u>(9,672,818)</u>	<u>(8,158,616)</u>
Total equity		<u>(9,671,818)</u>	<u>(8,157,616)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 28 September 2018 and signed on its behalf by:


.....
Mr A. Eggington
Company secretary and director

Ipsotek Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Acre House
11 - 15 William Road
London
NW1 3ER

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The company's parent company, Ipsotek Holdings Limited, has provided in writing its intention to provide sufficient finance for the company to meet its liabilities when they fall due for a period of at least 12 months from the date of approval of these financial statements.

Having taken into account the forecast revenues and the company's ongoing operational expenditure together with the likely capital additions and likely capital repayments, the company's directors have concluded that it is appropriate that these financial statements are prepared and presented using the going concern principal due to the continued support of the parent company's investor base.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 28 September 2018 was James Syree BSc ACA, who signed for and on behalf of Ballards LLP.

Revenue recognition

Turnover represents sales to external customers at invoiced amounts less value added tax. Turnover from sales of Ipsotek systems is recognised when the risks and rewards of ownership of the system is transferred to the buyer. Hardware is shipped pre-loaded with software, and hence this is usually at the point of delivery to the customer.

Turnover from contracts is recognised on a straight-line basis over the period outlined in the contract.

Ipsotek Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised using the balance sheet liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements. Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. On this basis no deferred tax asset has been recognised.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Other property, plant and equipment	33.3% on cost
Furniture, fittings and equipment	50% on cost and 20% on cost

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Ipsotek Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

A large proportion of stock is held in customer demonstration models and research and development models. This stock is assessed for impairment as described above at each reporting date. The company's directors have concluded that this stock is still saleable and is valued in accordance with the stock accounting policy described above.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 28 (2016 - 31).

Ipsotek Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

4 Intangible assets

	Software development costs £	Total £
Cost or valuation		
At 1 January 2017	109,606	109,606
At 31 December 2017	109,606	109,606
Amortisation		
At 1 January 2017	109,606	109,606
At 31 December 2017	109,606	109,606
Carrying amount		
At 31 December 2017	-	-
At 31 December 2016	-	-

5 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 January 2017	33,980	101,740	135,720
Additions	719	10,987	11,706
At 31 December 2017	34,699	112,727	147,426
Depreciation			
At 1 January 2017	20,267	82,628	102,895
Charge for the year	5,622	13,359	18,981
At 31 December 2017	25,889	95,987	121,876
Carrying amount			
At 31 December 2017	8,810	16,740	25,550
At 31 December 2016	13,713	19,112	32,825

Ipsotek Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

6 Stocks

	2017	2016
	£	£
Stock	<u>451,463</u>	<u>450,027</u>

7 Debtors

	2017	2016
	£	£
Trade debtors	69,619	352,138
Other debtors	<u>382,627</u>	<u>986,229</u>
Total current trade and other debtors	<u>452,246</u>	<u>1,338,367</u>

8 Creditors

Creditors: amounts falling due within one year

	2017	2016
	£	£
Due within one year		
Trade creditors	366,449	387,666
Amounts owed to related parties	9,601,974	9,117,163
Taxation and social security	110,889	89,323
Other creditors	<u>577,183</u>	<u>699,011</u>
	<u>10,656,495</u>	<u>10,293,163</u>