

Company registration number 05309166 (England and Wales)

INTERACTIVE TECHNOLOGY CORPORATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Mr Warren Ferster Mr Stuart Ferster Mr Chris Davies Mr Daniel Salej (Appointed 27 September 2023) |
| Company number | 05309166 |
| Registered office | 1st Floor, Cloister House Riverside New Bailey Street Manchester M3 5FS |
| Auditor | Lopian Gross Barnett & Co 1st Floor, Cloister House Riverside New Bailey Street Manchester M3 5FS |
| Business address | 3 Christie Way Christie Fields Didsbury Manchester M21 7QY |

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

CONTENTS

| | Page |
|---|---------|
| Strategic report | 1 |
| Directors' report | 2 |
| Directors' responsibilities statement | 3 |
| Independent auditor's report | 4 - 7 |
| Profit and loss account | 8 |
| Group statement of comprehensive income | 9 |
| Group balance sheet | 10 |
| Company balance sheet | 11 |
| Group statement of changes in equity | 12 |
| Company statement of changes in equity | 13 |
| Group statement of cash flows | 14 |
| Notes to the financial statements | 15 - 24 |

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2023

The directors present the strategic report for the year ended 31 January 2023.

Review of the business

The group has worked hard with its suppliers and customers during the current financial year to enable trading to continue at strong levels, with operating margins and profitability at better than previous levels. Despite the global challenges the business performed strongly with revenues and profits greater than the prior year. Overall the Group produced a pleasing result with increased revenues of £39.2m (2022: £39m), increased gross profit of £21.7m (2022: £20.8m) and increased profit before tax of £8.7m (2022: £6.1m).

Principal risks and uncertainties

The Group may be affected by a number of risks, not all of which are under its control. The risks which may affect the Group are as follows, but the list is not exhaustive and other factors may adversely affect the company.

- macroeconomic conditions;
- market competitors and new products; and
- operational risks.

The Group seeks to mitigate these risks by management of its relationships and service levels with its customers, its product offerings, identification of alternate suppliers and monitoring of foreign exchange trends and fluctuations.

As a technology focused company, one of the main challenges the Group faces is the availability of technology staff. It mitigates this risk by ensuring the best technologically skilled staff are employed in its workforce.

Key performance indicators

The Group's Key Performance Indicators are turnover and gross margin. These are fully disclosed in the financial statements and the Directors do not consider further disclosure necessary.

The directors closely monitor the performance and financial risks of the group by reviewing the detailed monthly management accounts, KPI reports and forecasts that are produced, and if necessary, action is taken.

On behalf of the board

Mr Warren Ferster
Director

18 March 2024

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2023

The directors present their annual report and financial statements for the year ended 31 January 2023.

Principal activities

The principal activity of the company and group continued to be the provision of online marketing, IT support and customer services.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Warren Ferster

Mr Stuart Ferster

Mr Chris Davies

Mr Tom Hogan

(Resigned 8 December 2023)

Mr Daniel Salej

(Appointed 27 September 2023)

Auditor

Lopian Gross Barnett & Co. were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr Warren Ferster

Director

18 March 2024

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2023

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERACTIVE TECHNOLOGY CORPORATION LIMITED

Opinion

We have audited the financial statements of Interactive Technology Corporation Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2023 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERACTIVE TECHNOLOGY CORPORATION LIMITED

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, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERACTIVE TECHNOLOGY CORPORATION LIMITED

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 our procedures are capable of detecting irregularities, including fraud, is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of laws and regulations that affect the entity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations.
- Where considered necessary we enquired of those charged with governance, reviewed correspondence and reviewed meeting minutes for evidence of non-compliance with relevant laws and regulations.
- We gained an understanding of the controls environment which includes the controls in place to prevent and detect fraud. We enquired of those charged with governance about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures to assess compliance with relevant laws and regulations.
- We enquired of those charged with governance about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERACTIVE TECHNOLOGY CORPORATION LIMITED

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.

Jonathan Brodie FCA (Senior Statutory Auditor)
For and on behalf of Lopian Gross Barnett & Co

18 March 2024

Chartered Accountants
Statutory Auditor

1st Floor, Cloister House
Riverside
New Bailey Street
Manchester
M3 5FS

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2023

| | Notes | 2023 £ | 2022 £ |
|--|-------|--------------|--------------|
| Turnover | 3 | 39,169,743 | 38,958,284 |
| Cost of sales | | (17,496,143) | (18,128,601) |
| Gross profit | | 21,673,600 | 20,829,683 |
| Administrative expenses | | (12,975,771) | (14,740,733) |
| Operating profit | 4 | 8,697,829 | 6,088,950 |
| Interest receivable and similar income | | 40 | - |
| Profit before taxation | | 8,697,869 | 6,088,950 |
| Tax on profit | 8 | (1,727,639) | (1,154,394) |
| Profit for the financial year | | 6,970,230 | 4,934,556 |

Profit for the financial year is all attributable to the owners of the parent company.

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2023

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Profit for the year | 6,970,230 | 4,934,556 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>6,970,230</u> | <u>4,934,556</u> |

Total comprehensive income for the year is all attributable to the owners of the parent company.

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

GROUP BALANCE SHEET

AS AT 31 JANUARY 2023

| | | 2023 | 2022 |
|---|-------|--------------------|--------------------|
| | Notes | £ | £ |
| Fixed assets | | | |
| Tangible assets | 11 | 82,467 | 133,061 |
| Current assets | | | |
| Debtors | 13 | 5,139,359 | 7,922,575 |
| Cash at bank and in hand | | 1,943,233 | 2,425,889 |
| | | <u>7,082,592</u> | <u>10,348,464</u> |
| Creditors: amounts falling due within one year | 14 | <u>(7,807,116)</u> | <u>(8,529,812)</u> |
| Net current (liabilities)/assets | | <u>(724,524)</u> | <u>1,818,652</u> |
| Net (liabilities)/assets | | <u>(642,057)</u> | <u>1,951,713</u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 150 | 150 |
| Profit and loss reserves | | <u>(642,207)</u> | <u>1,951,563</u> |
| Total equity | | <u>(642,057)</u> | <u>1,951,713</u> |

The financial statements were approved by the board of directors and authorised for issue on 18 March 2024 and are signed on its behalf by:

Mr Warren Ferster
Director

Company registration number 05309166 (England and Wales)

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

COMPANY BALANCE SHEET

AS AT 31 JANUARY 2023

| | | 2023 | 2022 |
|---|-------|--------------------|--------------------|
| | Notes | £ | £ |
| Fixed assets | | | |
| Tangible assets | 11 | 60,908 | 46,826 |
| Current assets | | | |
| Debtors | 13 | 1,113,999 | 3,020,573 |
| Cash at bank and in hand | | 195,482 | 106,880 |
| | | <u>1,309,481</u> | <u>3,127,453</u> |
| Creditors: amounts falling due within one year | 14 | <u>(2,012,446)</u> | <u>(1,222,566)</u> |
| Net current (liabilities)/assets | | <u>(702,965)</u> | <u>1,904,887</u> |
| Net (liabilities)/assets | | <u>(642,057)</u> | <u>1,951,713</u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 150 | 150 |
| Profit and loss reserves | | <u>(642,207)</u> | <u>1,951,563</u> |
| Total equity | | <u>(642,057)</u> | <u>1,951,713</u> |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £6,970,230 (2022 - £4,934,556 profit).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 18 March 2024 and are signed on its behalf by:

Mr Warren Ferster
Director

Company registration number 05309166 (England and Wales)

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2023

| | | Share capital | Profit and loss reserves | Total |
|--|-------|---------------|--------------------------|-------------|
| | Notes | £ | £ | £ |
| Balance at 1 February 2021 | | 150 | 2,466,007 | 2,466,157 |
| Year ended 31 January 2022: | | | | |
| Profit and total comprehensive income for the year | | - | 4,934,556 | 4,934,556 |
| EOT Distributions | 9 | - | (5,449,000) | (5,449,000) |
| Balance at 31 January 2022 | | 150 | 1,951,563 | 1,951,713 |
| Year ended 31 January 2023: | | | | |
| Profit and total comprehensive income for the year | | - | 6,970,230 | 6,970,230 |
| EOT Distributions | 9 | - | (9,564,000) | (9,564,000) |
| Balance at 31 January 2023 | | 150 | (642,207) | (642,057) |

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2023

| | | Share capital | Profit and loss reserves | Total |
|--|-------|---------------|--------------------------|-------------|
| | Notes | £ | £ | £ |
| Balance at 1 February 2021 | | 150 | 2,466,007 | 2,466,157 |
| Year ended 31 January 2022: | | | | |
| Profit and total comprehensive income for the year | | - | 4,934,556 | 4,934,556 |
| EOT Distributions | 9 | - | (5,449,000) | (5,449,000) |
| Balance at 31 January 2022 | | 150 | 1,951,563 | 1,951,713 |
| Year ended 31 January 2023: | | | | |
| Profit and total comprehensive income for the year | | - | 6,970,230 | 6,970,230 |
| EOT Distributions | 9 | - | (9,564,000) | (9,564,000) |
| Balance at 31 January 2023 | | 150 | (642,207) | (642,057) |

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2023

| | | 2023 | | 2022 | |
|---|-------|-------------|---|-------------|---|
| | Notes | £ | £ | £ | £ |
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 22 | 10,282,089 | | 5,944,701 | |
| Income taxes paid | | (1,146,119) | | (48,996) | |
| Net cash inflow from operating activities | | 9,135,970 | | 5,895,705 | |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (54,666) | | (51,969) | |
| Interest received | | 40 | | - | |
| Net cash used in investing activities | | (54,626) | | (51,969) | |
| Financing activities | | | | | |
| EOT Distribution | | (9,564,000) | | (5,449,000) | |
| Net cash used in financing activities | | (9,564,000) | | (5,449,000) | |
| Net (decrease)/increase in cash and cash equivalents | | (482,656) | | 394,736 | |
| Cash and cash equivalents at beginning of year | | 2,425,889 | | 2,031,153 | |
| Cash and cash equivalents at end of year | | 1,943,233 | | 2,425,889 | |

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

Company information

Interactive Technology Corporation Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1st Floor, Cloister House, Riverside, New Bailey Street, Manchester, M3 5FS.

The group consists of Interactive Technology Corporation Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention.

The parent company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Interactive Technology Corporation Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 January 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

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

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for management charges and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account discounts given.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

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

| | |
|----------|----------------------|
| Software | 33.33% straight line |
|----------|----------------------|

1.6 Tangible fixed assets

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

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

| | |
|-----------------------|----------------------|
| Fixtures and fittings | 20-33% straight line |
| Computers | 33.33% straight line |

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

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Classification of financial liabilities

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

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

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

Deferred tax

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

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1.13 Retirement benefits

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

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | £ | £ |
| Turnover analysed by class of business | | |
| Online support services, IT support and other associated services | 39,169,743 | 38,958,284 |
| | <u>39,169,743</u> | <u>38,958,284</u> |
| | 2023 | 2022 |
| | £ | £ |
| Turnover analysed by geographical market | | |
| Worldwide | 39,169,743 | 38,958,284 |
| | <u>39,169,743</u> | <u>38,958,284</u> |

4 Operating profit

| | 2023 | 2022 |
|---|------------------|------------------|
| | £ | £ |
| Operating profit for the year is stated after charging: | | |
| Exchange losses | 3,713,870 | 3,731,239 |
| Depreciation of owned tangible fixed assets | 105,260 | 95,024 |
| | <u>3,819,130</u> | <u>3,826,263</u> |

5 Auditor's remuneration

| | 2023 | 2022 |
|--|---------------|---------------|
| | £ | £ |
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and company | 50,000 | 50,000 |
| | <u>50,000</u> | <u>50,000</u> |

6 Employees

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

| Group | | Company | |
|-----------|-----------|-----------|-----------|
| 2023 | 2022 | 2023 | 2022 |
| Number | Number | Number | Number |
| 83 | 79 | 83 | 79 |
| <u>83</u> | <u>79</u> | <u>83</u> | <u>79</u> |

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

6 Employees (Continued)

Their aggregate remuneration comprised:

| | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|-----------------------|--------------------|------------------|----------------------|------------------|
| Wages and salaries | 3,801,719 | 3,481,819 | 3,801,719 | 3,481,819 |
| Social security costs | 429,462 | 376,644 | 429,462 | 376,644 |
| Pension costs | 251,027 | 223,748 | 251,027 | 223,748 |
| | <u>4,482,208</u> | <u>4,082,211</u> | <u>4,482,208</u> | <u>4,082,211</u> |

7 Directors' remuneration

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Remuneration for qualifying services | 712,958 | 627,453 |
| Company pension contributions to defined contribution schemes | 54,273 | 48,668 |
| | <u>767,231</u> | <u>676,121</u> |

Remuneration disclosed above includes the following amounts paid to the highest paid director:

| | 2023 £ | 2022 £ |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | <u>215,000</u> | <u>250,000</u> |

8 Taxation

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Current tax | | |
| UK corporation tax on profits for the current period | 1,643,737 | 1,146,119 |
| Adjustments in respect of prior periods | 79,067 | - |
| Total current tax | <u>1,722,804</u> | <u>1,146,119</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | <u>4,835</u> | <u>8,275</u> |
| Total tax charge | <u>1,727,639</u> | <u>1,154,394</u> |

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Profit before taxation | 8,697,869 | 6,088,950 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%) | 1,652,595 | 1,156,901 |
| Tax effect of expenses that are not deductible in determining taxable profit | 8,053 | 5,756 |
| Permanent capital allowances in excess of depreciation | (16,911) | (16,538) |
| Under/(over) provided in prior years | 79,067 | - |
| Deferred tax movement | 4,835 | 8,275 |
| Taxation charge | 1,727,639 | 1,154,394 |

9 Distributions

| | 2023 | 2022 |
|--------------------------|-----------|-----------|
| EOT Distributions | | |
| Distributions | 9,564,000 | 5,499,000 |

10 Intangible fixed assets

| Group | Software £ |
|--|---------------|
| Cost | |
| At 1 February 2022 and 31 January 2023 | 343,826 |
| Amortisation and impairment | |
| At 1 February 2022 and 31 January 2023 | 343,826 |
| Carrying amount | |
| At 31 January 2023 | - |
| At 31 January 2022 | - |

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

11 Tangible fixed assets

| Group | Fixtures and fittings £ | Computers £ | Total £ |
|------------------------------------|----------------------------|----------------|-------------|
| Cost | | | |
| At 1 February 2022 | 462,201 | 1,163,130 | 1,625,331 |
| Additions | 2,502 | 52,164 | 54,666 |
| Disposals | (437,833) | (872,978) | (1,310,811) |
| At 31 January 2023 | 26,870 | 342,316 | 369,186 |
| Depreciation and impairment | | | |
| At 1 February 2022 | 448,420 | 1,043,850 | 1,492,270 |
| Depreciation charged in the year | 6,011 | 99,249 | 105,260 |
| Eliminated in respect of disposals | (437,833) | (872,978) | (1,310,811) |
| At 31 January 2023 | 16,598 | 270,121 | 286,719 |
| Carrying amount | | | |
| At 31 January 2023 | 10,272 | 72,195 | 82,467 |
| At 31 January 2022 | 13,781 | 119,280 | 133,061 |
| Company | | | |
| | Fixtures and fittings £ | Computers £ | Total £ |
| Cost | | | |
| At 1 February 2022 | 462,201 | 683,566 | 1,145,767 |
| Additions | 2,502 | 52,164 | 54,666 |
| Disposals | (437,833) | (610,702) | (1,048,535) |
| At 31 January 2023 | 26,870 | 125,028 | 151,898 |
| Depreciation and impairment | | | |
| At 1 February 2022 | 448,420 | 650,521 | 1,098,941 |
| Depreciation charged in the year | 6,011 | 34,573 | 40,584 |
| Eliminated in respect of disposals | (437,833) | (610,702) | (1,048,535) |
| At 31 January 2023 | 16,598 | 74,392 | 90,990 |
| Carrying amount | | | |
| At 31 January 2023 | 10,272 | 50,636 | 60,908 |
| At 31 January 2022 | 13,781 | 33,045 | 46,826 |

12 Subsidiaries

The Company has one subsidiary undertaking and owns 100% of its share capital.

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

13 Debtors

| | Group 2023 | 2022 | Company 2023 | 2022 |
|---|------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Amounts falling due within one year: | | | | |
| Trade debtors | 4,596,780 | 5,080,739 | - | - |
| Other debtors | 270,391 | 2,615,200 | 931,300 | 2,911,786 |
| Prepayments and accrued income | 266,987 | 216,600 | 177,498 | 98,751 |
| | <u>5,134,158</u> | <u>7,912,539</u> | <u>1,108,798</u> | <u>3,010,537</u> |
| Deferred tax asset (note 15) | 5,201 | 10,036 | 5,201 | 10,036 |
| | <u>5,139,359</u> | <u>7,922,575</u> | <u>1,113,999</u> | <u>3,020,573</u> |

14 Creditors: amounts falling due within one year

| | Group 2023 | 2022 | Company 2023 | 2022 |
|------------------------------------|------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Trade creditors | 93,200 | 75,564 | 41,052 | 20,757 |
| Corporation tax payable | 1,722,804 | 1,146,119 | 1,722,804 | 1,146,119 |
| Other taxation and social security | 123,551 | 41,616 | 123,551 | 41,616 |
| Other creditors | 4,791,438 | 6,168,174 | - | - |
| Accruals and deferred income | 1,076,123 | 1,098,339 | 125,039 | 14,074 |
| | <u>7,807,116</u> | <u>8,529,812</u> | <u>2,012,446</u> | <u>1,222,566</u> |

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

| | Assets 2023 | Assets 2022 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Group | | |
| Accelerated capital allowances | <u>5,201</u> | <u>10,036</u> |
| | | |
| | Assets 2023 | Assets 2022 |
| | £ | £ |
| Company | | |
| Accelerated capital allowances | <u>5,201</u> | <u>10,036</u> |

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

| | | | |
|-----------|-------------------------------|--------------------|----------------|
| 15 | Deferred taxation | (Continued) | |
| | | Group | Company |
| | | 2023 | 2023 |
| | | £ | £ |
| | Movements in the year: | | |
| | Asset at 1 February 2022 | (10,036) | (10,036) |
| | Charge to profit or loss | 4,835 | 4,835 |
| | Asset at 31 January 2023 | <u>(5,201)</u> | <u>(5,201)</u> |

| | | | |
|-----------|---|----------------|----------------|
| 16 | Retirement benefit schemes | 2023 | 2022 |
| | | £ | £ |
| | Defined contribution schemes | | |
| | Charge to profit or loss in respect of defined contribution schemes | <u>251,027</u> | <u>223,748</u> |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

| | | | | | |
|-----------|-------------------------------|-------------|-------------|-------------|-------------|
| 17 | Share capital | | | | |
| | Group and company | 2023 | 2022 | 2023 | 2022 |
| | Ordinary share capital | £ | £ | £ | £ |
| | Issued and fully paid | | | | |
| | Ordinary shares of £1 each | <u>150</u> | <u>150</u> | <u>150</u> | <u>150</u> |

18 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | | | | |
|----------------------------|----------------|----------------|----------------|----------------|
| | Group | | Company | |
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Within one year | 82,600 | 82,600 | 82,600 | 82,600 |
| Between two and five years | 330,400 | 330,400 | 330,400 | 330,400 |
| In over five years | <u>54,539</u> | <u>137,139</u> | <u>54,539</u> | <u>137,139</u> |
| | <u>467,539</u> | <u>550,139</u> | <u>467,539</u> | <u>550,139</u> |

19 Post balance sheet events

There are no post-balance sheet events that require disclosure at the balance sheet date.

INTERACTIVE TECHNOLOGY CORPORATION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

20 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Group | | |
| Entities with control, joint control or significant influence over the company | 9,564,000 | 5,449,000 |

Transactions relate to distributions made to ITC EOT Trustee Limited which is the controlling entity.

21 Controlling party

ITC EOT Trustee Limited owns 100% of Interactive Technology Corporation Limited and at the year end the ultimate controlling parties are the trustees of the ITC Employee Ownership Trust.

22 Cash generated from group operations

| | 2023 £ | 2022 £ |
|--|-------------------|------------------|
| Profit for the year after tax | 6,970,230 | 4,934,556 |
| Adjustments for: | | |
| Taxation charged | 1,727,639 | 1,154,394 |
| Investment income | (40) | - |
| Depreciation and impairment of tangible fixed assets | 105,260 | 95,024 |
| Movements in working capital: | | |
| Decrease/(increase) in debtors | 2,778,381 | (561,730) |
| (Decrease)/increase in creditors | (1,299,381) | 322,457 |
| Cash generated from operations | 10,282,089 | 5,944,701 |

23 Analysis of changes in net funds - group

| | 1 February 2022 £ | Cash flows £ | 31 January 2023 £ |
|--------------------------|----------------------|-----------------|----------------------|
| Cash at bank and in hand | 2,425,889 | (482,656) | 1,943,233 |

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