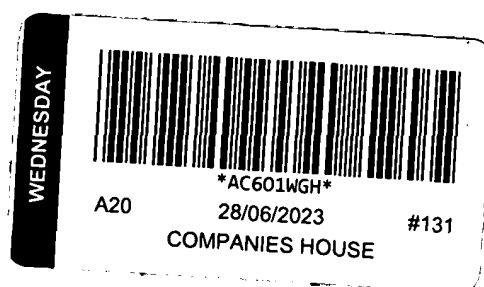


Registered number: 06012630

GLOBAL INKJET SYSTEMS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022



GLOBAL INKJET SYSTEMS LIMITED

COMPANY INFORMATION

DIRECTORS

Mr Y Stern
Mr Z Peled (resigned 25 January 2023)
Mr Z R Nedivi (appointed 25 January 2023)

REGISTERED NUMBER

06012630

REGISTERED OFFICE

Edinburgh House
St John's Innovation Park
Cowley Road
Cambridge
CB4 0DS

INDEPENDENT AUDITORS

Peters Elworthy & Moore
Chartered Accountants & Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

GLOBAL INKJET SYSTEMS LIMITED

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GLOBAL INKJET SYSTEMS LIMITED

**STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022**

INTRODUCTION

Global Inkjet Systems Limited is a global leader in the development and supply of software, electronics and components to industrial inkjet printing businesses. The Company supplies printhead data path and top-level control software integrating all the core components of an industrial inkjet system along with associated ink delivery systems. Our technology drives thousands of inkjet printheads in single pass, XY scanning, 3D and custom-figured systems worldwide with our customers integrating our products into their industrial inkjet printers and using our technology as a platform for rapid product development.

BUSINESS REVIEW

Despite a challenging macroeconomic climate, the year saw a significant increase in turnover of 18% (scaled). Gross Profit margins remained healthy with Gross Profit of £2,399,121 (March 2022 - £4,120,104).

The Company retains a strong cash position with the balance moving to £2,364,370 (March 2022 - £3,364,548).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's strong market position is based upon its ability to develop and produce superior products compared to its competitors and is therefore subject to the risk that development uncertainties are encountered or that new competitors enter the market. The Company is reliant upon recruiting suitably qualified and experienced staff in all departments with a consequent risk that this is a constraint on growth.

Whilst the direct impacts on the Company of Covid are now receding, the economic aftermath remains challenging particularly in terms of the supply of critical electronic components. The company is actively managing this situation globally and has taken appropriate steps to mitigate this. The Company's strong cash position and order book mean that it is well placed to perform strongly.

This report was approved by the board and signed on its behalf.

Yoan Stern

.....
Mr Y Stern
Director

Date: 23 June 2023

GLOBAL INKJET SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the period ended 31 December 2022.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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 financial statements;
- 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 and disclose with reasonable accuracy at any time the financial position of the Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the Company throughout the year was the development and supply of software, electronics and components to industrial inkjet printing businesses. The Company supplies printhead data path and top-level control software integrating all the core components of an industrial inkjet system along with associated ink delivery systems.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £2,955,248 (March 2022 - profit £81,001).

The directors have not recommended a final dividend.

DIRECTORS

The directors who served during the period were:

Mr Y Stern
Mr Z Peled (resigned 25 January 2023)

GLOBAL INKJET SYSTEMS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022**

FUTURE DEVELOPMENTS

The Company continues to invest in research and development and together with its significant resources, is well placed to continue delivering on its strategy.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Company continues to invest in research and development work in order to further develop its technologies. All expenditure is written off as incurred.

DISCLOSURE OF INFORMATION TO AUDITORS

AUDITORS

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Yoan Stern

.....
Mr Y Stern
Director

Date: 23 June 2023

GLOBAL INKJET SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL INKJET SYSTEMS LIMITED

OPINION

We have audited the financial statements of Global Inkjet Systems Limited (the 'Company') for the period ended 31 December 2022, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of 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 Company's affairs as at 31 December 2022 and of its loss for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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.

GLOBAL INKJET SYSTEMS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL INKJET SYSTEMS LIMITED
(CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

OPINION 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 period 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 Company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 2, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

GLOBAL INKJET SYSTEMS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL INKJET SYSTEMS LIMITED
(CONTINUED)**

AUDITORS' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and pension legislation;
- we also reviewed minutes and other available information for evidence of non-compliance with laws and regulations which we considered may have an indirect material effect on the financial statements or the operations of the company, including data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- tested the appropriateness of journal entries and other adjustments;
- designed procedures to identify unexpected or unusual journals for testing to confirm the validity of such postings;
- assessed whether the accounting judgements and assumptions made in the financial statements were indicative of potential bias; and
- evaluated the business rationale of any significant transactions that were unusual or outside of the normal course of business.

GLOBAL INKJET SYSTEMS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL INKJET SYSTEMS LIMITED
(CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED....)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Warren Tilbury

Warren Tilbury (Senior Statutory Auditor)
for and on behalf of
Peters Elworthy & Moore
Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 23 June 2023

GLOBAL INKJET SYSTEMS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Note	Period ended 31 December 2022 £	Year ended 31 March 2022 £
Turnover	4	7,979,274	9,050,497
Cost of sales		(5,580,153)	(4,930,393)
GROSS PROFIT		2,399,121	4,120,104
Administrative expenses		(5,507,628)	(4,243,381)
Other operating income	5	194,317	254,114
OPERATING (LOSS)/PROFIT		(2,914,190)	130,837
Interest receivable and similar income	9	3,259	371
Interest payable and similar expenses	10	-	(1,925)
(LOSS)/PROFIT BEFORE TAX		(2,910,931)	129,283
Tax on (loss)/profit	11	(44,317)	(48,282)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(2,955,248)	81,001

There are no items of other comprehensive income for 2022 or 2022 other than the (loss)/profit for the period. As a result, no separate Statement of Comprehensive Income has been presented.

The notes on pages 12 to 26 form part of these financial statements.

GLOBAL INKJET SYSTEMS LIMITED
REGISTERED NUMBER: 06012630

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	31 December 2022 £	31 March 2022 £
FIXED ASSETS			
Tangible assets	13	121,377	81,265
		<u>121,377</u>	<u>81,265</u>
CURRENT ASSETS			
Stocks	14	2,833,031	2,238,438
Debtors	15	1,514,817	1,659,033
Cash at bank and in hand	16	2,364,370	3,364,548
		<u>6,712,218</u>	<u>7,262,019</u>
Creditors: amounts falling due within one year	17	(4,414,464)	(1,986,905)
NET CURRENT ASSETS		<u>2,297,754</u>	<u>5,275,114</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,419,131</u>	<u>5,356,379</u>
Creditors: amounts falling due after more than one year	18	(132,000)	(114,000)
NET ASSETS		<u><u>2,287,131</u></u>	<u><u>5,242,379</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	153	153
Share premium account	20	35,072	35,072
Profit and loss account	20	2,251,906	5,207,154
		<u><u>2,287,131</u></u>	<u><u>5,242,379</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Yoan Stern

.....
Mr Y Stern
Director

Date: 23 June 2023

The notes on pages 12 to 26 form part of these financial statements.

GLOBAL INKJET SYSTEMS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2021	142	1,862	5,126,153	5,128,157
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	81,001	81,001
Shares issued during the year	11	33,210	-	33,221
At 1 April 2022	153	35,072	5,207,154	5,242,379
COMPREHENSIVE INCOME FOR THE PERIOD				
Loss for the period	-	-	(2,955,248)	(2,955,248)
AT 31 DECEMBER 2022	153	35,072	2,251,906	2,287,131

The notes on pages 12 to 26 form part of these financial statements.

GLOBAL INKJET SYSTEMS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	31 December 2022 £	31 March 2022 £
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit for the financial year	(2,955,248)	81,001
ADJUSTMENTS FOR:		
Depreciation of tangible assets	51,819	110,401
Interest paid	-	1,925
Interest received	(3,259)	(371)
Taxation charge	44,317	48,282
(Increase) in stocks	(594,593)	(743,628)
Decrease in debtors	140,474	172,545
Increase in creditors	213,363	286,242
Increase in amounts owed to groups	2,232,196	390,541
Corporation tax (paid)	(40,575)	(48,282)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(911,506)	298,656
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(91,931)	(43,316)
Interest received	3,259	371
HP interest paid	-	(1,925)
NET CASH FROM INVESTING ACTIVITIES	(88,672)	(44,870)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of ordinary shares	-	33,221
NET CASH USED IN FINANCING ACTIVITIES	-	33,221
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,000,178)	287,007
Cash and cash equivalents at beginning of period	3,364,548	3,077,541
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	2,364,370	3,364,548
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD COMPRISE:		
Cash at bank and in hand	2,364,370	3,364,548
	2,364,370	3,364,548

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

1. GENERAL INFORMATION

The Company is limited by shares and incorporated in England. Its registered office is St Johns Innovation Centre, Cowley Road, Cambridge, CB4 0DS.

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The Directors have prepared forecasts for 2023/24 and considered the trading period beyond this. In light of the global pandemic, the Directors have stress tested the forecasts, chiefly reflecting differing levels of sales.

Based on this review, and noting the Company's strong cash position, the Directors believe the Company will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements

2.3 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.4 TURNOVER**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Turnover from the sale of goods is recognised when all of the significant risks and rewards of ownership of the product are transferred to the buyer. In the normal course of business this is upon despatch to the customer.

Turnover from a contract to provide services is recognised in the period in which the services are provided when the amount of turnover can be measured reliably and it is probable that the Company will receive the consideration due under the contract.

2.5 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

2.8 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.9 PENSIONS****DEFINED CONTRIBUTION PENSION PLAN**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 SHARE-BASED PAYMENTS

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows entities that had not previously applied FRS20 share-based payments to not apply FRS 102 to equity instruments that were granted before the date of transition, or to liabilities arising from share-based payment transactions that were settled before the transition date.

2.11 TAXATION

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.12 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Capitalised development is amortised over the value of its useful economic life, deemed to be three years on a straight line basis.

2.13 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.13 TANGIBLE FIXED ASSETS (CONTINUED)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	20% straight line
Plant and machinery	-	20% straight line
Fixtures and fittings	-	20% straight line
Office equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.15 DEBTORS

Short-term debtors are measured at transaction price, less any impairment.

2.16 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.17 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.18 HOLIDAY PAY ACCRUAL**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.19 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

The key judgements and estimates relate to the provision for slow-moving and obsolete stock. A provision is made against significantly aged stocks and other specific stock as considered necessary by management.

4. TURNOVER

The directors consider it seriously prejudicial to the interests of the Company to disclose geographical information regarding turnover.

The whole of the turnover is attributable to the principal activity of the Company.

5. OTHER OPERATING INCOME

	Period ended 31 December 2022 £	Year ended 31 March 2022 £
Other operating income	194,317	254,114
	<u>194,317</u>	<u>254,114</u>

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

6. AUDITORS' REMUNERATION

During the period, the Company obtained the following services from the Company's auditors:

	Period ended 31 December 2022 £	Year ended 31 March 2022 £
Audit-related assurance services	21,375	14,675
Taxation compliance services	3,625	4,150
All other assurance services	21,950	16,100
All other services	-	3,560
	<u>21,950</u>	<u>34,285</u>

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	Period ended 31 December 2022 £	Year ended 31 March 2022 £
Wages and salaries	5,852,994	4,171,797
Social security costs	405,916	474,832
Cost of defined contribution scheme	368,929	298,326
	<u>6,627,839</u>	<u>4,944,955</u>

The aggregate remuneration payable to key management personnel for the period was £748,547 (March 2022: £911,184).

The average monthly number of employees, including directors, during the period was 71 (March 2022 - 61).

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

8. DIRECTORS' REMUNERATION

	Period ended 31 December 2022 £	Year ended 31 March 2022 £
Directors' emoluments	-	365,619
Company contributions to defined contribution pension schemes	-	22,144
	<u>-</u>	<u>387,763</u>

During the period retirement benefits were accruing to no directors (March 2022 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £NIL (March 2022 - £132,106).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (March 2022 - £6,605).

9. INTEREST RECEIVABLE

	Period ended 31 December 2022 £	Year ended 31 March 2022 £
Other interest receivable	3,259	371
	<u>3,259</u>	<u>371</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period ended 31 December 2022 £	Year ended 31 March 2022 £
Other interest payable	-	1,925
	<u>-</u>	<u>1,925</u>

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

11. TAXATION

	Period ended 31 December 2022 £	Year ended 31 March 2022 £
CORPORATION TAX		
Current tax on profits for the year	44,317	48,282
TOTAL CURRENT TAX	<u>44,317</u>	<u>48,282</u>
DEFERRED TAX		
TOTAL DEFERRED TAX	<u>-</u>	<u>-</u>

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

11. TAXATION (CONTINUED)**FACTORS AFFECTING TAX CHARGE FOR THE PERIOD/YEAR**

The tax assessed for the period is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (March 2022 - 19%). The differences are explained below:

	Period ended 31 December 2022 £	Year ended 31 March 2022 £
(Loss)/profit on ordinary activities before tax	(2,910,931)	129,283
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(553,077)	24,564
EFFECTS OF:		
Fixed asset differences	(6,028)	(652)
Expenses not deductible for tax purposes	427,028	89,318
Capital allowances for period/year in excess of depreciation	19	(505,946)
Effect of tax rate change on opening patent box set-off amount	37,059	376
Movement in deferred tax not recognised	139,316	440,622
TOTAL TAX CHARGE FOR THE PERIOD/YEAR	44,317	48,282

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company takes advantage of the enhanced tax deductions for research and development expenditure and expects to continue to be able to do so. At 31 December 2022 the Company had estimated tax losses of £3,868,000 (March 2022 - £3,140,000) available to carry forward against future corporation tax profits. The Company has not recognised the deferred tax asset arising from the losses carried forward due to uncertainty as to when the profits will arise.

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

12. INTANGIBLE ASSETS

	Capitalised develop- ment £
COST	
At 1 April 2022	53,400
At 31 December 2022	<u>53,400</u>
AMORTISATION	
At 1 April 2022	53,400
At 31 December 2022	<u>53,400</u>
NET BOOK VALUE	
At 31 December 2022	<u><u>-</u></u>
At 31 March 2022	<u><u>-</u></u>

GLOBAL INKJET SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

13. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
COST OR VALUATION					
At 1 April 2022	260,589	105,566	141,413	302,898	810,466
Additions	1,198	37,380	618	52,735	91,931
At 31 December 2022	261,787	142,946	142,031	355,633	902,397
DEPRECIATION					
At 1 April 2022	249,098	93,673	130,259	256,171	729,201
Charge for the period on owned assets	11,571	9,213	7,707	23,328	51,819
At 31 December 2022	260,669	102,886	137,966	279,499	781,020
NET BOOK VALUE					
At 31 December 2022	1,118	40,060	4,065	76,134	121,377
At 31 March 2022	11,491	11,893	11,154	46,727	81,265

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

14. STOCKS

	31 December 2022 £	31 March 2022 £
Raw materials and consumables	1,951,087	1,593,284
Work in progress (goods to be sold)	-	7,318
Finished goods and goods for resale	881,944	637,836
	<u>2,833,031</u>	<u>2,238,438</u>

An impairment loss of £61,020 (March 2022 - £116,391) was recognised in cost of sales against stock during the year in respect of obsolete stock.

15. DEBTORS

	31 December 2022 £	31 March 2022 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	182,625	182,625
	<u>182,625</u>	<u>182,625</u>
DUE WITHIN ONE YEAR		
Trade debtors	719,334	1,020,769
Other debtors	91,771	95,513
Prepayments and accrued income	161,535	150,574
Tax recoverable	359,552	209,552
	<u>1,514,817</u>	<u>1,659,033</u>

16. CASH AND CASH EQUIVALENTS

	31 December 2022 £	31 March 2022 £
Cash at bank and in hand	2,364,370	3,364,548
	<u>2,364,370</u>	<u>3,364,548</u>

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2022 £	31 March 2022 £
Trade creditors	531,487	612,393
Amounts owed to group undertakings	2,622,737	390,541
Other taxation and social security	155,577	128,536
Other creditors	85,307	345
Accruals and deferred income	1,019,356	855,090
	<u>4,414,464</u>	<u>1,986,905</u>

Other creditors include contributions of £43,995 (March 2022 - £338) payable to the Company's defined contribution pension scheme at the balance sheet date.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2022 £	31 March 2022 £
Accruals and deferred income	132,000	114,000
	<u>132,000</u>	<u>114,000</u>

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

19. SHARE CAPITAL

	31 December 2022 £	31 March 2022 £
ALLOTTED, CALLED UP AND FULLY PAID		
15,278 (March 2022 - 15,278) Ordinary shares of £0.01 each	153	153

20. RESERVES**Share premium account**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve includes all current and prior period retained profits and losses.

21. SHARE-BASED PAYMENTS

Nano Dimension Limited issued Restricted Stock Units and share options to employees at the Company. As a result of this a payment is due to Nano Dimension Limited for the nine months to 31 December 2022 of £2,239,974 (year to 31 March 2022 - £436,987).

22. ANALYSIS OF NET DEBT

	At 1 April 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	3,364,548	(1,000,178)	2,364,370
	3,364,548	(1,000,178)	2,364,370

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

23. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2022 £	31 March 2022 £
Not later than 1 year	308,543	308,543
Later than 1 year and not later than 5 years	205,695	514,238
	<u>514,238</u>	<u>822,781</u>

The Company occupies premises in Cambridge, England under a five year leasing agreement ending in 2027.

24. CONTROLLING PARTY

The controlling party is Nano Dimension Limited, a public company limited by shares and incorporated in Israel. Consolidated accounts are prepared by Nano Dimension Limited and can be obtained from the registered office; 2 Ilan Ramon, Ness Ziona, 7403635 Israel.