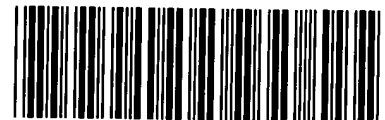

GLOBAL INKJET SYSTEMS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

WEDNESDAY



AAJF3M34

A15

15/12/2021

#99

COMPANIES HOUSE

GLOBAL INKJET SYSTEMS LIMITED

COMPANY INFORMATION

DIRECTORS

Mr N Geddes
Mrs N Geddes
Ms D Thorp
Mr M Hoather

COMPANY SECRETARY

Mr S Jeffels

REGISTERED NUMBER

06012630

REGISTERED OFFICE

St Johns Innovation Centre
Cowley Road
Cambridge
CB4 0WS

INDEPENDENT AUDITORS

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

GLOBAL INKJET SYSTEMS LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 8
Profit and Loss Account	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 25

GLOBAL INKJET SYSTEMS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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 AND FINANCIAL KEY PERFORMANCE INDICATORS

The year was clearly dominated by the Covid-19 pandemic with many staff working from home during this period and a lack of direct contact with customers. Whilst these were challenging times with difficult market conditions, turnover increased by 4% during the year, and due to careful cost control there was a notable improvement in Profit Before Tax to £225,289 (2020 - Loss of £763,004). In addition, through careful management of working capital the Company was able to maintain a strong cash balance at the year-end of £3,077,541 (2020 - £2,020,393) which is regarded as being satisfactory.

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.

In addition the worldwide impact of COVID-19 has been devastating in economic and human terms. The Directors have considered the risks to the Company as a result of the virus, which chiefly surrounds the potential for a decline in sales as customers look to curb investment in capital projects. This risk is monitored closely by management. In forecasting an assessment has been made as to the potential impact a contraction in sales would have with appropriate measures identified to reduce costs, in conjunction with the financial support programmes announced by the UK government which the Company has taken advantage of to mitigate financial risk. The Company is also taking appropriate measures to mitigate the health risk to employees by following the appropriate Government guidelines.

Financial Risk Management

The Company uses various financial instruments, including its trade debtors and trade creditors that arise directly from its operations, which expose the Company to credit risk and currency risk. The directors review and agree policies for managing these risks which are summarised below.

Credit Risk

The Company's credit risk is primarily attributable to its trade debtors. The Company is at risk to the extent that a customer may be unable to pay the debt; this risk is mitigated by on-going customer relationships. Credit limits are reviewed by the finance team on a regular basis in conjunction with debt ageing and collection history.

Currency Risk

The Company undertakes trading transactions in currencies other than sterling and is therefore exposed to foreign exchange risk. Transaction exposures are managed through the use of foreign currency bank accounts.

GLOBAL INKJET SYSTEMS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

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

Nick Geddes

.....
Mr N Geddes
Director

Date: 28 September 2021 | 15:53 BST

GLOBAL INKJET SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

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 profit for the year, after taxation, amounted to £544,569 (2020 - loss £349,159).

The directors have not recommended a final dividend.

DIRECTORS

The directors who served during the year were:

Mr N Geddes
Mrs N Geddes
Ms D Thorp
Mr M Hoather

GLOBAL INKJET SYSTEMS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

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

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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.

Nick Geddes

.....
Mr N Geddes
Director

Date: 28 September 2021 | 15:53 BST

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 year ended 31 March 2021, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows 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 March 2021 and of its 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 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the 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 3, 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 management, and from our commercial knowledge and experience of the electronics and software sectors;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements, including FRS 102, the Companies Act 2006 and taxation legislation, or the operations of the Company including data protection, employment and health and safety standards;
- We obtained an understanding of the Company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- Identified laws and regulations were communicated within the audit engagement 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.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of fraud through management bias and override of controls. In addressing 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 and unusual journal entries and performed testing to confirm the validity of such postings;
- Assessed whether the accounting judgements made in the financial statements were indicative of potential bias; and

GLOBAL INKJET SYSTEMS LIMITED

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

- Evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.

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.

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.

Roberta Newman (Senior Statutory Auditor)

for and on behalf of
Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 29 September 2021

GLOBAL INKJET SYSTEMS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	4	7,438,110	7,140,429
Cost of sales		(3,677,502)	(3,791,242)
GROSS PROFIT		3,760,608	3,349,187
Administrative expenses		(3,724,507)	(4,120,630)
Other operating income	5	188,841	6,528
OPERATING PROFIT/(LOSS)		224,942	(764,915)
Interest receivable and similar income	9	347	1,911
PROFIT/(LOSS) BEFORE TAX		225,289	(763,004)
Tax on profit/(loss)	10	319,280	413,845
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		544,569	(349,159)

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

The notes on pages 13 to 25 form part of these financial statements.

GLOBAL INKJET SYSTEMS LIMITED
REGISTERED NUMBER: 06012630

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	148,350	238,685
		<u>148,350</u>	<u>238,685</u>
CURRENT ASSETS			
Stocks	13	1,494,810	1,852,991
Debtors: amounts falling due after more than one year	14	161,239	161,239
Debtors: amounts falling due within one year	14	1,670,339	1,071,395
Cash at bank and in hand	15	3,077,541	2,020,393
		<u>6,403,929</u>	<u>5,106,018</u>
Creditors: amounts falling due within one year	16	(1,334,122)	(688,559)
NET CURRENT ASSETS		<u>5,069,807</u>	<u>4,417,459</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,218,157</u>	<u>4,656,144</u>
Creditors: amounts falling due after more than one year	17	(90,000)	(72,556)
NET ASSETS		<u><u>5,128,157</u></u>	<u><u>4,583,588</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	142	142
Share premium account	19	1,862	1,862
Profit and loss account	19	5,126,153	4,581,584
		<u>5,128,157</u>	<u>4,583,588</u>

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

Nick Geddes

.....
Mr N Geddes
Director

Date: 28 September 2021 | 15:53 BST

The notes on pages 13 to 25 form part of these financial statements.

GLOBAL INKJET SYSTEMS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2019	142	1,862	4,930,743	4,932,747
Comprehensive income for the year				
Loss for the year	-	-	(349,159)	(349,159)
At 1 April 2020	142	1,862	4,581,584	4,583,588
Comprehensive income for the year				
Profit for the year	-	-	544,569	544,569
At 31 March 2021	142	1,862	5,126,153	5,128,157

The notes on pages 13 to 25 form part of these financial statements.

GLOBAL INKJET SYSTEMS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the financial year	544,569	(349,159)
ADJUSTMENTS FOR:		
Depreciation of tangible assets	112,721	121,853
Loss on disposal of tangible assets	-	536
Government grants	(173,997)	-
Interest received	(347)	(1,911)
Taxation charge	(319,280)	(413,845)
Decrease in stocks	358,181	400,290
(Increase)/decrease in debtors	(693,177)	437,082
Increase/(decrease) in creditors	663,007	(508,551)
Corporation tax received	413,513	315,446
NET CASH GENERATED FROM OPERATING ACTIVITIES	905,190	1,741
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(22,386)	(25,656)
Government grants received	173,997	-
Interest received	347	1,911
NET CASH FROM INVESTING ACTIVITIES	151,958	(23,745)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,057,148	(22,004)
Cash and cash equivalents at beginning of year	2,020,393	2,042,397
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	3,077,541	2,020,393
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	3,077,541	2,020,393
	3,077,541	2,020,393

GLOBAL INKJET SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

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

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 Section 1A of 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 2021/22 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 YEAR ENDED 31 MARCH 2021**

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.

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 is deemed to be three 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.

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.8 PENSIONS

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 the Profit and Loss Account when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 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.

2.10 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.

2.11 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.

2.12 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 YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (CONTINUED)**2.12 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	-	25% 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.

2.13 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.

2.14 DEBTORS

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

2.15 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.

2.16 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities 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 YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.17 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.

2.18 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. 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 turnover is attributable to the principal activity of the Company.

5. OTHER OPERATING INCOME

	2021	2020
	£	£
Other operating income	14,844	6,528
Coronavirus job retention scheme income	173,997	-
	=====	=====

6. AUDITORS' REMUNERATION

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £10,500 (2020 - £10,250).

Fees payable to the Company's auditor for tax compliance services totalled £3,375 (2019 - £3,500).

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. EMPLOYEES

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

	2021 £	2020 £
Wages and salaries	3,493,579	3,415,764
Social security costs	399,566	426,646
Cost of defined contribution scheme	181,053	360,217
	<u>4,074,198</u>	<u>4,202,627</u>

The aggregate remuneration payable to key management personnel for the year was £768,008 (2020: £552,166).

The average monthly number of employees, including directors, during the year was 61 (2020 - 68).

8. DIRECTORS' REMUNERATION

	2021 £	2020 £
Directors' emoluments	587,896	454,542
Company contributions to defined contribution pension schemes	29,493	27,245
	<u>617,389</u>	<u>481,787</u>

During the year retirement benefits were accruing to 4 directors (2020 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £230,348 (2020 - £177,657).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,953 (2020 - £8,883).

9. INTEREST RECEIVABLE

	2021 £	2020 £
Bank and other interest receivable	<u>347</u>	<u>1,911</u>

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. TAXATION

	2021 £	2020 £
CORPORATION TAX		
Current tax on profits for the year	(312,046)	(414,595)
Adjustments in respect of previous periods	(7,234)	750
	<u>(319,280)</u>	<u>(413,845)</u>
TOTAL CURRENT TAX	<u>(319,280)</u>	<u>(413,845)</u>
DEFERRED TAX		
TOTAL DEFERRED TAX	<u>-</u>	<u>-</u>
TAXATION ON LOSS ON ORDINARY ACTIVITIES	<u>(319,280)</u>	<u>(413,845)</u>

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. TAXATION (CONTINUED)**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	225,289	(763,004)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	42,805	(144,971)
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	124	1,807
Capital allowances for year in excess of depreciation	2,570	2,509
Adjustments to tax charge in respect of prior periods	(5,044)	750
Deferred tax not recognised	7,436	13,661
Research and development credit leading to a decrease in the tax charge	(367,171)	(287,945)
Dividends from UK companies	-	344
TOTAL TAX CHARGE FOR THE YEAR	(319,280)	(413,845)

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 March 2021 the Company had estimated tax losses of £1,090,000 (2020 - £1,090,000) 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 YEAR ENDED 31 MARCH 2021**

11. INTANGIBLE ASSETS

	Capitalised develop- ment £
Cost	
At 1 April 2020	53,400
At 31 March 2021	<u>53,400</u>
Amortisation	
At 1 April 2020	53,400
At 31 March 2021	<u>53,400</u>
Net book value	
At 31 March 2021	<u><u>-</u></u>
At 31 March 2020	<u><u>-</u></u>

GLOBAL INKJET SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 April 2020	260,589	101,340	139,883	242,952	744,764
Additions	-	1,048	-	21,338	22,386
At 31 March 2021	<u>260,589</u>	<u>102,388</u>	<u>139,883</u>	<u>264,290</u>	<u>767,150</u>
Depreciation					
At 1 April 2020	142,468	67,214	92,557	203,840	506,079
Charge for the year on owned assets	53,315	13,768	19,541	26,097	112,721
At 31 March 2021	<u>195,783</u>	<u>80,982</u>	<u>112,098</u>	<u>229,937</u>	<u>618,800</u>
Net book value					
At 31 March 2021	<u>64,806</u>	<u>21,406</u>	<u>27,785</u>	<u>34,353</u>	<u>148,350</u>
At 31 March 2020	<u>118,121</u>	<u>34,126</u>	<u>47,326</u>	<u>39,112</u>	<u>238,685</u>

13. STOCKS

	2021 £	2020 £
Raw materials and consumables	1,031,830	1,104,666
Finished goods and goods for resale	462,980	748,325
	<u>1,494,810</u>	<u>1,852,991</u>

An impairment loss of £60,764 (2020 - £123,078) was recognised in cost of sales against stock during the year in respect of slow-moving and obsolete stock.

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. DEBTORS

	2021 £	2020 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	161,239	161,239
	<u>161,239</u>	<u>161,239</u>
	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	1,153,432	490,656
Other debtors	38,915	28,660
Prepayments and accrued income	151,102	130,956
Tax recoverable	326,890	421,123
	<u>1,670,339</u>	<u>1,071,395</u>

15. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	3,077,541	2,020,393
	<u>3,077,541</u>	<u>2,020,393</u>

16. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	140,161	148,216
Other taxation and social security	106,866	106,753
Other creditors	46	27,657
Accruals and deferred income	1,087,049	405,933
	<u>1,334,122</u>	<u>688,559</u>

Other creditors include contributions of £39 (2020 - £27,650) payable to the Company's defined contribution pension scheme at the balance sheet date.

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. CREDITORS: Amounts falling due after more than one year

	2021 £	2020 £
Accruals and deferred income	<u>90,000</u>	<u>72,556</u>

18. SHARE CAPITAL

	2021 £	2020 £
Allotted, called up and fully paid		
14,200 (2020 - 14,200) Ordinary shares of £0.01 each	<u>142</u>	<u>142</u>

19. 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.

20. SHARE BASED PAYMENTS

At 31 March 2021 the Company had 860 outstanding options over shares (2020 – 505) under an Enterprise Management Incentives scheme. These options have a weighted average exercise price of £18.11 per share, are dependent on the option holder's continuing employment with the Company and vest on the earlier of sale or flotation of the Company or on dates ranging from 1 November 2021 to 23 July 2030. During the year options over 355 shares were granted at a weighted average exercise price of £43.87 per share.

21. ANALYSIS OF NET DEBT

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	2,020,393	1,057,148	3,077,541
Debt due within 1 year	-	-	-
	<u>2,020,393</u>	<u>1,057,148</u>	<u>3,077,541</u>

GLOBAL INKJET SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

22. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	246,337	268,731
Later than 1 year and not later than 5 years	-	246,337
	246,337	515,068

The Company occupies premises in Cambridge, England under a five year leasing agreement ending in 2022.

23. CONTROLLING PARTY

The Company is controlled by Mr and Mrs Geddes.