

!OBAC UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



!OBAC UK LIMITED

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!OBAC UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company continued to be that of the development of specialist flooring solutions.

Directors

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

D F Smyth	(Resigned 14 February 2017)
I Spreadborough	
L Smyth	(Resigned 14 February 2017)
P Woolvine	(Appointed 14 February 2017)
J Lawson-Brown	(Appointed 20 March 2017)

Auditor

Howard Lee, Fellows & Co are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

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 company's auditor 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 company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



P Woolvine

Director

26 September 2018

!OBAC UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF !OBAC UK LIMITED

Opinion

We have audited the financial statements of !OBAC UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Profit And Loss Account, the Balance Sheet and notes to the financial statements, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

!OBAC UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF !OBAC UK LIMITED

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 Directors' Report.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

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 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.

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.

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

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.

Susan Ambrose (Senior Statutory Auditor)
for and on behalf of Howard Lee, Fellows & Co

26 September 2018

Chartered Accountants
Statutory Auditor

92 Park Street
Camberley
Surrey
GU15 3NY

IOBAC UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover		-	-
Cost of sales		(17,309)	(28,434)
Gross loss		(17,309)	(28,434)
Administrative expenses		(473,099)	(882,468)
Operating loss		(490,408)	(910,902)
Interest receivable and similar income		-	125
Loss before taxation		(490,408)	(910,777)
Taxation		-	-
Loss for the financial year, being			
Total comprehensive income for the year		(490,408)	(910,777)

IOBAC UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	3		4,945		8,545
Tangible assets	4		4,588		6,334
			<u>9,533</u>		<u>14,879</u>
Current assets					
Debtors	5	6,422		15,258	
Cash at bank and in hand		97,019		82,306	
		<u>103,441</u>		<u>97,564</u>	
Creditors: amounts falling due within one year	6	<u>(3,620,462)</u>		<u>(3,129,523)</u>	
Net current liabilities			<u>(3,517,021)</u>		<u>(3,031,959)</u>
Total assets less current liabilities			<u>(3,507,488)</u>		<u>(3,017,080)</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			<u>(3,507,588)</u>		<u>(3,017,180)</u>
Total equity			<u>(3,507,488)</u>		<u>(3,017,080)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 26 September 2018 and are signed on its behalf by:


P Woolvine
Director

Company Registration No. 07687209

IOBAC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

IOBAC UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Endeavour House, Coopers End Road, Stansted Airport, CM24 1SJ. The principal place of business is Unit 11, Brook Farm, Stapleford Road, Stapleford Abbots, RM4 1EJ.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

These financial statements are the individual financial statements of the company and are prepared in pounds sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As at 31 December 2017 the company had net liabilities. The directors are nevertheless of the opinion that the going concern basis of accounting remains appropriate, and that the company will continue to operate effectively for the foreseeable future, owing in part to the continued financial support of the existing shareholders. The directors are also confident of bringing the company's product effectively to market in the near future to generate positive working capital, and are in the process of securing substantial investment to fund the commercialisation of IOBAC's technologies. Since the balance sheet date the directors have already secured inward investment from the existing investors in order to complete the funding of the product development.

1.3 Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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:

Website	Straight line over 3 years
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1.4 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	25% straight line
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IOBAC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Financial instruments

The company 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 when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price and are subsequently carried at amortised cost.

Derecognition of financial liabilities

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

1.6 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

1.7 Retirement benefits

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

1.8 Operating leases

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

1.9 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 are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 5 (2016 - 8).

IOBAC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

3 Intangible fixed assets

	Website £
Cost	
At 1 January 2017 and 31 December 2017	10,800
Amortisation and impairment	
At 1 January 2017	2,255
Amortisation charged for the year	3,600
At 31 December 2017	5,855
Carrying amount	
At 31 December 2017	4,945
At 31 December 2016	8,545

4 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2017	7,616
Additions	2,225
Disposals	(2,286)
At 31 December 2017	7,555
Depreciation and impairment	
At 1 January 2017	1,282
Depreciation charged in the year	1,889
Eliminated in respect of disposals	(204)
At 31 December 2017	2,967
Carrying amount	
At 31 December 2017	4,588
At 31 December 2016	6,334

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Other debtors	6,422	15,258

IOBAC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	4,488	19,669
Amounts due to group undertakings	3,470,315	2,769,874
Other taxation and social security	10,000	16,486
Other creditors	135,659	323,494
	<u>3,620,462</u>	<u>3,129,523</u>

7 Securities and charges

There is a debenture in place in favour of the company's bank comprising fixed and floating charges over all the assets and undertakings of the company.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

9 Operating lease commitments

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

	2017 £	2016 £
	<u>570</u>	<u>13,581</u>

10 Parent company

The parent company of the smallest group of which IOBAC UK Limited is a member which prepares consolidated accounts is IOBAC Limited, a company registered at 1st and 2nd Floors, Elizabeth House, Les Rueties Brayes, St Peter Port, Guernsey, GY1 1EW.