Registered number: 09474604

IPAT HOLDINGS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018

IPAT HOLDINGS LIMITED
REGISTERED NUMBER: 09474604

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note		2018 £		2017 £
Fixed assets					
Intangible assets	4		**189,833**		323,833
Tangible assets	5		**3,267**		6,282
			193,100		330,115
Current assets					
Debtors: amounts falling due within one year	6	**743,141**		436,614	
Cash at bank and in hand		**22,081**		297,804	
		765,222		734,418	
Creditors: amounts falling due within one year	7	**(98,741)**		(87,853)	
Net current assets			**666,481**		646,565
Total assets less current liabilities			**859,581**		976,680
Net assets			**859,581**		976,680
Capital and reserves					
Called up share capital	9		**53**		53
Profit and loss account	10		**859,528**		976,627
			859,581		976,680

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 December 2019.

A N Brice
Director

J J Garcia
Director

The notes on pages 2 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

IPAT Holdings Limited is a private company limited by shares, incorporated in England, registered number 09474604. The registered office is Suite 1, 3rd Floor 11-12 St James's Square, London, SW1Y 4LB. The principal place of business is Archway House, Melbourn Street, Royston, Hertfordshire, SG8 7BX.

The principal activity is the continued distribution of the 16pf assessment and offers training for the use of the 16pf assessment, mainly for pre-employment testing.

The financial statements are presented in Sterling, which is also the functional currency of the Company.

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 judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of PSI Enterprise LLC as at 31 December 2018 and these financial statements may be obtained from 611N, Brand Boulevard, 10th Floor, Glendale, CA 91203.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 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 the Statement of Income and Retained Earnings 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.

2.5 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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intellectual property	-	5 years

2.6 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.

2. Accounting policies (continued)

2.6 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:

Computer equipment	-	25%

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 the Statement of Income and Retained Earnings.

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may be decreased.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 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.

2.10 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 non-puttable ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2017 - 5).

4. Intangible assets

	Intellectual property £
Cost	
At 1 January 2018	670,000
At 31 December 2018	670,000
Amortisation	
At 1 January 2018	346,167
Charge for the year	134,000
At 31 December 2018	480,167
Net book value	
At 31 December 2018	189,833
At 31 December 2017	323,833

5. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2018	**12,341**
At 31 December 2018	**12,341**
Depreciation	
At 1 January 2018	**6,059**
Charge for the year on owned assets	**3,015**
At 31 December 2018	**9,074**
Net book value	
At 31 December 2018	**3,267**
At 31 December 2017	6,282

6. Debtors

	2018 £	2017 £
Trade debtors	**191,359**	103,699
Amounts owed by group undertakings	**550,491**	325,942
Other debtors	**929**	-
Deferred taxation	**362**	6,973
	743,141	436,614

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	7,806	3,006
Amounts owed to group undertakings	74,275	47,275
Other taxation and social security	1,866	22,156
Other creditors	3,573	-
Accruals and deferred income	11,221	15,416
	98,741	87,853

8. Deferred taxation

	2018 £	2017 £
At beginning of year	6,973	(1,574)
Credited/ (charged) to profit or loss	(6,611)	8,547
At end of year	362	6,973

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(555)	(1,068)
Tax losses carried forward	917	8,041
	362	6,973

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
105,556 (2017 - 105,560) Ordinary shares of £0.0005 each	53	53

10. Reserves

Profit and loss account

This reserve represents the cumulative profits and losses of the company after the payment of dividends.

11. Pension commitments

The company operates a defined contribution pension scheme for the employees. At the balance sheet date there were no outstanding contributions owed.

12. Post balance sheet events

From 1 January 2019, all existing external revenue streams in the company were transferred to PSI Talent Measurement Limited. The Company continues to generate royalties from the group for their use of the intellectual property.

13. Controlling party

The ultimate parent undertaking is PSI Enterprises LLC, incorporated in USA who prepare the smallest consolidated accounts in which IPAT Holdings Limited is included. The ultimate parent's registered office is 611N, Brand Boulevard, 10th Floor, Glendale, CA 91203.

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 24 December 2019 by Martin Herron BA ACA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.