

REGISTRAR

Registered number: 09474604

IPAT HOLDINGS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2017

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IPAT HOLDINGS LIMITED
REGISTERED NUMBER: 09474604

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	7	323,833	457,833
Tangible assets	8	6,282	9,256
		<u>330,115</u>	<u>467,089</u>
Current assets			
Debtors: amounts falling due within one year	9	436,614	323,928
Cash at bank and in hand	10	297,804	211,771
		<u>734,418</u>	<u>535,699</u>
Creditors: amounts falling due within one year	11	(87,853)	(34,241)
Net current assets		<u>646,565</u>	<u>501,458</u>
Total assets less current liabilities		<u>976,680</u>	<u>968,547</u>
Provisions for liabilities			
Deferred tax	13	-	(1,574)
		<u>-</u>	<u>(1,574)</u>
Net assets		<u><u>976,680</u></u>	<u><u>966,973</u></u>
Capital and reserves			
Called up share capital		53	53
Profit and loss account	14	976,627	966,920
		<u><u>976,680</u></u>	<u><u>966,973</u></u>

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 comprehensive income 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 23 May 2018.

A Brice
 Director

J Garcia
 Director

The notes on pages 4 to 12 form part of these financial statements.

IPAT HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	53	966,920	966,973
Comprehensive income for the year			
Profit for the year	-	9,707	9,707
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	9,707	9,707
At 31 December 2017	53	976,627	976,680

IPAT HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	53	8,499,947	998,455	9,498,455
Comprehensive income for the year				
Loss for the year	-	-	(8,531,482)	(8,531,482)
Total comprehensive income for the year	-	-	(8,531,482)	(8,531,482)
Transfer to/from profit and loss account	-	(8,499,947)	8,499,947	-
At 31 December 2016	53	-	966,920	966,973

The notes on pages 4 to 12 form part of these financial statements.

IPAT HOLDINGS LIMITED

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

1. General information

IPAT Holdings Limited is a private company limited by shares, incorporated in England and Wales, registered number 09474604. The registered office and principal place of business is 3 Onslow Street, Guildford, GU1 4SY.

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 (see note 3).

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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of PSI Enterprise LLC as at 31 December 2017 and these financial statements may be obtained from 611N, Brand Boulevard, 10th Floor, Glendale, CA 91203.

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

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 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:

Patents	-	5 years
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2.5 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.

IPAT HOLDINGS LIMITED

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

2. Accounting policies (continued)**2.5 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% Straight Line
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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 Comprehensive Income.

2.6 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 have decreased.

2.7 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.

2.8 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.

2.9 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.

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

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

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

2. Accounting policies (continued)

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 Comprehensive Income 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.

2.15 Current and deferred taxation

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

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

IPAT HOLDINGS LIMITED

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In application of the Company's accounting policies, management have been required to make judgements, estimates and assumptions. These estimates which relate to the carrying value of assets and liabilities, where not readily available from other sources, are based on underlying assumptions and experience. Actual results may differ from these estimates. These estimates and assumptions are reviewed on an on-going basis.

4. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £9,450 (2016 - £7,500).

5. Employees

The average monthly number of employees, including directors, during the year was 5 (2016 - 3).

6. Exceptional items

	2017 £	2016 £
Loss on disposal of investments	-	8,500,000

7. Intangible assets

	Patents £
Cost	
At 1 January 2017	670,000
At 31 December 2017	670,000
Amortisation	
At 1 January 2017	212,167
Charge for the year	134,000
At 31 December 2017	346,167
Net book value	
At 31 December 2017	323,833
At 31 December 2016	457,833

IPAT HOLDINGS LIMITED

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

7. Intangible assets (continued)

Amortisation charged during the period has been included within administration expenses.

8. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2017	12,341
At 31 December 2017	12,341
Depreciation	
At 1 January 2017	3,085
Charge for the year on owned assets	2,974
At 31 December 2017	6,059
Net book value	
At 31 December 2017	6,282
At 31 December 2016	9,256

9. Debtors

	2017 £	2016 £
Trade debtors	103,699	-
Amounts owed by group undertakings	325,942	265,870
Other debtors	-	53,246
Prepayments and accrued income	-	4,812
Deferred taxation	6,973	-
	436,614	323,928

IPAT HOLDINGS LIMITED

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

10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>297,804</u>	<u>211,771</u>

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,006	11,474
Amounts owed to group undertakings	47,275	-
Other taxation and social security	22,156	-
Other creditors	-	7,217
Accruals and deferred income	15,416	15,550
	<u>87,853</u>	<u>34,241</u>

12. Financial instruments

All financial instruments are held at amortised cost.

13. Deferred taxation

	2017 £
At beginning of year	(1,574)
Charged to profit or loss	8,547
At end of year	<u><u>6,973</u></u>

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(1,068)	(1,574)
Tax losses carried forward	8,041	-
	<u>6,973</u>	<u>(1,574)</u>

IPAT HOLDINGS LIMITED

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

14. Reserves**Merger Reserve**

The merger reserve relates to the acquisition of the trading subsidiary IPAT Inc on 13 March 2015 as part of a group restructure.

Profit and loss account

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

15. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	-	29,144
	-	29,144

The total expense charged to the profit and loss account by the company during the year in respect of operating leases was £31,290 (2016 - £38,008).

16. Controlling party

The immediate parent undertaking is IPAT Holdings Acquisitions Limited incorporated in England. The ultimate parent undertaking is PSI Enterprise LLC, incorporated in USA. The ultimate parent's registered office is 611N, Brand Boulevard, 10th Floor, Glendale, CA 91203. In the opinion of the directors there is no single controlling party of the ultimate parent company. The ultimate parent company, PSI Enterprise LLC is the smallest group entity compiling consolidated financial statements.

The consolidated financial statements can be obtained upon request from the ultimate parent undertaking.

17. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2017 was unqualified.

The audit report was signed on **23 May 2018** by Martin Herron BA ACA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.