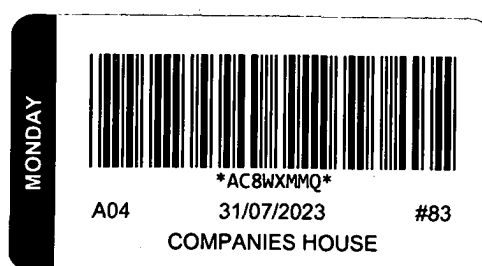


Company Registration No. 10018898

Genetec UK Limited

Annual Report and Financial Statements

For the year ended 31 October 2022



Genetec UK Limited

Report and financial statements 2022

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Genetec UK Limited

Report and financial statements 2022

Company information

Director

P Dodds

Registered Office

5 New Street Square
London
EC4A 3TW

Auditor

Constantin
Statutory Auditor
London
United Kingdom

Genetec UK Limited

Strategic report

Principal activities

The principal activity of the Company is the wholesale of security software in the UK market. The Group includes the trading activity for the wider European subgroup.

Business review and key performance indicators

The Group's main key performance indicator, profit for the financial year, for the year ended 31 October 2022 was £4,612,590 (2021: profit of £4,710,065).

The Group has experienced a further year of sustained growth in revenue to £38,367,944, representing an increase of 16 % on FY21 revenue of £33,003,606 largely due to continued exploration of the market as well as increase in breadth of product offering.

Future prospects

The director believes that the Group is well-placed to continue in its growth across the European landscape through increased market share, new product offerings, and its position as the global leader in Video Management Systems. This assessment incorporates the experience of the Group during the Covid-19 pandemic, which whilst presenting obstacles in respect of home-working and contributing to a lower growth level than had been envisaged has not had a significant impact on the European subgroup or wider Genetec Inc. group.

Principal risks and uncertainties

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk as well as commercial and operational risks. The use of any financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company's parent has certain financial instruments to partially manage these risks. These instruments are not eligible for hedge accounting.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers (outside of its immediate parent company).

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and by monitoring forecast and actual cash flows.

Commercial and operational risks

The Group also considers the principal risks for the business to be the competitive environment and the resolution of the UK's exit from the EU.

Genetec UK Limited

Strategic report

Competitive environment

The director believes that the quality and scope of the Genetec proposition positions the business favourably across the competitive landscape. Nevertheless, the wider group continues to place significant importance on the maintenance and development of its product offering and invests its resources accordingly across its European footprint.

Brexit

The Company and Group are exposed to potential adverse impacts from the UK's departure from the European Union, which took place at the end of 2021. The director continues to monitor the situation and will take mitigating actions where appropriate as the political landscape becomes clearer.

Covid-19

The Covid-19 pandemic has led to widespread disruption to the global economy, impacting on consumer demand and operational capability amongst other macroeconomic factors. The director believes that the Company and the Group are relatively well insulated from the worst impacts of the crisis on account of its industry and product offering; however, he continues to keep the situation, and Genetec UK's and the wider European subgroup's exposure to it, under close review.

Section 172(1) Statement

The revised corporate governance code requires the director to explain how they have considered the interests of key stakeholders when performing their duty to promote the success of the Company.

The Director of Genetec UK Limited ("the director") has identified the following key stakeholders: parent company, employees, suppliers, customers, and government and regulators. They aim to balance the requirements of each as follows:

The likely consequences of any decision in the long term.

The director understands the business and the environment in which the Company operates and recognise that some decisions he makes may not align with all stakeholders' long-term interests. When making decisions, that have long term consequences, the implications on all stakeholders are taken into account and discussed, and director ensures that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole.

The interests of the Company's employees.

The director recognises that the employees of the Company are fundamental to our business and delivery of our long-term goals. The success of the Company depends on attracting, retaining and motivating employees. The Company aims, through competitive pay and benefits and through various initiatives, to promote employee interaction and well-being, and through providing high quality working environments to be the employer of choice in the market we operate. The board, in making decisions, factors in the implications of those decisions on its employees where relevant and feasible. For example, during the recent outbreak of Covid-19, based on Government guidelines, the Company took the decision to implement working-from-home policies, providing the support and equipment to enable employees to work from home, reducing the risk of exposure to Covid-19.

The need to foster the Company's business relationships with suppliers, customers, and others.

The director believes that the goals of the stakeholders are best served through strong mutually beneficial relationships with its suppliers, customers, and other partnerships. The Company, directly and through the parent company, has a policy of having international product managers, supply chain specialists, and other collaborators who interact with suppliers to optimize processes and relationships. The sales team, likewise, works with each customer to understand, assist in development, and deliver on their current and future needs and requirements for the Company's offerings. The company also sees great importance in the nurturing of relationships with

Genetec UK Limited

Strategic report

technology partners. A key success factor is the ability to integrate our offerings with those of these technology partners, and close collaboration is vital to ensure a seamless experience for our customer.

The impact of the Company's operation on the community and the environment.

The director and the Group of Genetec UK Limited companies under the umbrella of the parent company recognise the impact of its operations on the community and environment. The director fully supports the approach to sustainability adopted globally. The director has considered the potential impacts of climate change on the business and has concluded that due to its asset-light business model climate change does not have a negative impact on the asset valuations presented.

The desirability of the Company maintaining a reputation for high standards of business conduct

The director and the Group of Genetec UK Limited companies under the umbrella of the parent company understand the importance of maintaining a high standard of business conduct. Integrity is a key success factor in the physical and IT security industry, and the Group, through its parent company's Code of Business Conduct, communicates to its employees the importance in acting in an ethical and compliant manner.

The need to act fairly as between members of the Company

The director, in making decisions, has regard to the implications on all members of the Company. They act in the way they consider, in good faith, would most likely promote the Company success for the benefit of its members.

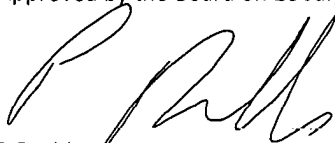
Section 172(1) statement conclusion

Through direct feedback from its parent company, the Company's active engagement and consultation with its employees, and communication with customers, suppliers, partners, and government and regulators, the director believes he is being fully informed of the most important elements of the Company's relationships with its stakeholders and are striking the right balance between the competing demands while promoting the Company as a whole.

Energy and carbon reporting

Pursuant to Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (SI 2018/1155), the company has taken the exemption to not report on its energy and carbon reporting as the Company does not meet the criteria of a large company during the period.

Approved by the Board on 28 July, 2023 and signed on its behalf by:



P Dodds
Director

Genetec UK Limited

Director's report

The director presents his annual report, together with the financial statements of Genetec UK Limited ("the Company"), for the year ended 31 October 2022.

Dividends

The director does not recommend the payment of a dividend (2021: £nil).

Going concern

The financial statements have been prepared on a going concern assumption, with the Group in a net asset position of £20.2M (2021: £15.3M). The Group is in a net current asset position of £17.1M (2021: £12.2M), aided by its operating profit for FY22 of £6.2M (2021: £6.9M).

The Company's parent, Genetec Inc., has provided an undertaking of support that it will support the Company and its subsidiaries in the event that they are unable to settle their obligations for at least a 12-month period from the date of this report. In incorporating this support in their assessment, the director was able to confirm that the Company's parent is able to make such a statement, having assessed the current position of its parent (of whom he is a director) and its forecast free cash flows for at least twelve months from the date of this report.

In addition to this commitment of support, the director has evaluated the Company's and Group's forecasts and expected cash flows over a period of no less than 12 months from the date of this report, and stress tested them against reasonable adverse scenarios (including those incorporating the impact of Covid-19), and has concluded that the Company and Group will be able to meet their obligations as they fall due.

Accordingly, the going concern basis of accounting is adopted.

Events after balance sheet date

There were no significant events after the balance sheet date aside from the widespread impact of the Covid-19 pandemic, which is discussed above and in the Strategic Report as a principal risk.

Director

The director, who served throughout the year were and up to the date of signing was P Dodds.

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Genetec UK Limited

Director's report (continued)

Appointment of auditor

Constantin have expressed their willingness to be appointed as auditor and a resolution to appoint them will be proposed at the forthcoming Annual General Meeting.

Political and charitable contributions

No political or charitable contributions were made by the Company or the Group in either period.

Approved by the Board on 28 July, 2023 and signed on its behalf by:



P Dodds
Director

Genetec UK Limited

Director's responsibilities statement

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Under Company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. The director is 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.

Independent auditor's report to the members of Genetec UK Limited

Opinion

In our opinion the financial statements of Genetec UK Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 October 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the company and consolidated balance sheets;
- the company and consolidated statements of changes in equity;
- the consolidated statement of cash flow; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

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 group's and parent 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.

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 respect of these matters.

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 group's and the parent 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 group or the parent 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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. We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities. We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, 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 management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the director's report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

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 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.



Peter Smith FCA (Senior Statutory Auditor)
For and on behalf of Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

28 July 2023

Genetec UK Limited

Consolidated Profit and Loss Account For the year ended 31 October 2022

	Notes	2022 £	2021 £
Turnover	4	38,367,944	33,003,606
Cost of sales		(4,994,605)	(4,406,085)
Gross profit		33,373,339	28,597,521
Administrative expenses		(27,096,208)	(21,703,183)
Operating profit		6,277,131	6,894,338
Gain (loss) on disposal of investments		2,685	1,673
Finance charges, net	5	(257,360)	(463,751)
Profit before taxation	6	6,022,456	6,432,260
Tax charge on profit	9	(1,409,866)	(1,722,195)
Profit for the financial year		4,612,590	4,710,065
Other comprehensive gain (loss)			
Translation of foreign currency subsidiaries		278,937	88,812
Total comprehensive income		4,891,527	4,798,877
Total comprehensive income attributable to			
Non-controlling interests		386,185	291,656
Equity shareholders of the Company		4,505,342	4,507,221
Total comprehensive income		4,891,527	4,798,877

The above results were derived from continuing operations.

The Company and the group have no other comprehensive income or losses for the year other than the results above and therefore, no separate statement of comprehensive income is presented.

The notes on pages 18 to 36 form an integral part of these financial statements.

Genetec UK Limited

Company Balance Sheet As at 31 October 2022

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	13	-	-
Investments	11	2,253,564	2,253,564
Right-of-use assets	15	395,396	485,167
Property, plant and equipment	14	215,011	296,112
		<u>2,863,971</u>	<u>3,034,843</u>
Current assets			
Debtors	16	6,734,917	5,695,812
Cash at bank and in hand	17	458,429	274,278
		<u>7,193,346</u>	<u>5,970,090</u>
Total assets		<u>10,057,317</u>	<u>9,004,933</u>
Creditors: amounts falling due within one year	18	<u>(1,077,307)</u>	<u>(953,076)</u>
Net current assets		<u>6,116,039</u>	<u>5,017,014</u>
Total assets less current liabilities		<u>8,980,010</u>	<u>8,051,857</u>
Lease liabilities		(135,867)	(306,244)
Provisions for deferred taxation		(60,613)	(60,613)
Net assets		<u>8,783,530</u>	<u>7,685,000</u>
Capital and reserves			
Called-up share capital	19	10	1
Reserves		77,375	-
Retained earnings	19	8,706,145	7,684,999
Shareholder's equity		<u>8,783,530</u>	<u>7,685,000</u>

The financial statements of Genetec UK Limited, registered number 10018898 were approved by the Board of Directors on 28 July 2023.

Signed on behalf of the Board of Directors

P Dodds
Director



The notes on pages 18 to 36 form an integral part of these financial statements.

Genetec UK Limited

Consolidated Balance Sheet As at 31 October 2022

	Notes	2022 £	2021 £
Fixed assets			
Goodwill	12	1,900,159	1,900,159
Property, plant and equipment	14	1,196,350	1,021,046
Right-of-use assets	15	5,688,284	8,067,603
Deposits		392,814	311,124
Intangible assets	13	12,749	12,749
		<u>9,190,356</u>	<u>11,312,681</u>
Current assets			
Debtors	16	23,269,869	18,009,052
Cash at bank and in hand	17	1,712,608	1,729,951
		<u>24,982,477</u>	<u>19,739,003</u>
Total assets		<u>34,172,833</u>	<u>31,051,684</u>
Creditors: amounts falling due within one year	18	<u>(7,853,799)</u>	<u>(7,464,238)</u>
Net current assets		<u>17,128,678</u>	<u>12,274,765</u>
Total assets less current liabilities		<u>26,319,034</u>	<u>23,587,446</u>
Lease liabilities		(5,970,856)	(8,116,361)
Provisions for deferred taxation	9	(60,613)	(152,431)
Net assets		<u>20,287,565</u>	<u>15,318,654</u>
Capital and reserves			
Called-up share capital	19	10	1
Reserves		77,375	-
Retained earnings	19	18,744,596	14,518,191
Cumulative translation reserve		(179,627)	(458,564)
Shareholders' funds		<u>18,642,354</u>	<u>14,059,628</u>
Non-controlling interest		<u>1,645,211</u>	<u>1,259,026</u>
Total capital employed		<u>20,287,565</u>	<u>15,318,654</u>

The financial statements of Genetec UK Limited, registered number 10018898 were approved by the Board of Directors on 28 July 2023, Signed on behalf of the Board of Directors.

P Dodds, Director

The notes on Pages 18 to 36 form an integral part of these financial statements.



Genetec UK Limited

Company Statement of Changes in Equity For the year ended 31 October 2022

	Called-up share capital £	Reserves	Retained earnings £	Total £
At 1 November 2020	1	-	6,787,033	6,787,034
Profit for the period	-	-	897,966	897,966
At 31 October 2021	1	-	7,684,999	7,685,000
Profit for the period	-	-	1,021,146	1,021,146
Other	9	77,375	-	77,384
At 31 October 2022	10	77,375	8,706,145	8,783,530

The notes on pages 18 to 36 form an integral part of these financial statements.

Genetec UK Limited

Consolidated Statement of Changes in Equity For the year ended 31 October 2022

	Called-up share capital £	Reserves	Translation reserves £	Retained earnings £	Total attributable to parent £	Non- controlling interest £	Total £
At 1 November 2021	1	-	(547,376)	10,099,782	9,552,407	967,370	10,519,777
Profit for the period	-	-	-	4,418,409	4,418,409	291,656	4,710,065
Total comprehensive income	-	-	88,812	-	88,812	-	88,812
At 31 October 2021	1	-	(458,564)	14,518,191	14,059,628	1,259,026	15,318,654
Profit for the period	-	-	-	4,226,405	4,226,405	386,185	4,612,590
Total comprehensive income	-	-	278,937	-	278,937	-	278,937
Other	9	77,375	-	-	77,384	-	77,384
At 31 October 2022	10	77,375	(179,627)	18,744,596	18,642,354	1,645,211	20,287,565

The notes on pages 18 to 36 form an integral part of these financial statements.

Genetec UK Limited

Consolidated Statement of Cash Flow For the year ended 31 October 2022

	2022 £	2021 £
Cash flows from operating activities		
Operating profit	4,891,527	4,798,877
Adjustment for:		
Tax charge on profit	1,409,866	1,722,195
Other	77,384	-
Depreciation of property, plant and equipment	615,734	548,749
Depreciation of right-of-use assets	1,206,520	1,090,846
Amortization of intangible assets	-	80,208
Loss on disposal of investments	11,977	1,673
Unrealized foreign exchange loss (gain)	(8,134)	109,226
Interest on lease obligations	277,658	311,779
Operating cash flow before movement in working capital	8,482,532	8,663,553
Increase in deposits	(81,690)	(8,193)
Increase in debtors	(5,260,817)	(5,532,739)
Increase in creditors	756,874	854,344
	3,896,899	3,976,965
Income taxes paid	(2,042,160)	(2,231,629)
Net cash flows from operating activities	1,854,739	1,745,336
Cash flows from investing activities		
Purchase of property, plant and equipment	(803,015)	(477,706)
Proceeds on disposal of property, plant and equipment	-	3,356
Net cash flows from investing activities	(803,015)	(474,350)
Cash flows from financing activities		
Repayment of lease obligations	(1,077,201)	(1,206,959)
Net cash flows from financing activities	(1,077,201)	(1,206,959)
Net increase (decrease) in cash	(25,477)	64,027
Cash at beginning of year	1,729,951	1,775,150
Effect of foreign exchange rate changes	8,134	(109,226)
Cash at end of year	1,712,608	1,729,951

The notes on pages 18 to 36 form an integral part of these financial statements.

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

1. General information

Genetec UK Limited is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

5 New Street Square
London
EC4A 3TW

The nature of the Company's operations and its principal activities are set out in the Director's report on pages 2 to 3.

The functional currency of Genetec UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2. Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of accounting

These financial statements have been prepared under the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements have been prepared in accordance with FRS 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 101") 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 101 have been applied other than where additional disclosure is required to show a true and fair view.

The preparation of financial statements in compliance with FRS 101 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.

Going concern

The financial statements have been prepared on a going concern assumption, with the Group in a net asset position of £20.3M (2021: £15.3M). The Group is now in a net current asset position of £17.1M (2021: £12.2M), aided by its operating profit for FY22 of £6.2M (2021: £6.9M).

The Company's parent, Genetec Inc., has provided an undertaking of support that it will support the Company and its subsidiaries in the event that they are unable to settle their obligations for at least a 12-month period from the date of this report. In incorporating this support in their assessment, the director was able to confirm that the Company's parent is able to make such a statement, having assessed the current position of its parent (of whom he is a director) and its forecast free cash flows for at least twelve months from the date of this report.

In addition to this commitment of support, the director has evaluated the Company's and Group's forecasts and expected cash flows over a period of no less than 12 months from the date of this report, and stress tested them against reasonable adverse scenarios (including those incorporating the impact of Covid-19), and has concluded that the Company and Group will be able to meet their obligations as they fall due.

Accordingly, the going concern basis of accounting is adopted.

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

2. Accounting policies (continued)

Consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to October 31st each year.

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. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

Sales of Genetec products and services are all entered into by the parent company, Genetec Inc., directly with customers. Products are shipped directly from Genetec Inc. to customers and support and ancillary services are also provided directly by personnel of Genetec Inc. The personnel of the Group's subsidiaries, including Genetec UK Limited, are fully engaged in the support of these sales activities or in providing services to the parent company. In this context, revenue generated by the Company consists solely of the recharge of these costs under a documented transfer pricing policy and is recognised as these services are rendered.

Functional and presentation currency

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Foreign currency 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

Notes to the financial statements

For the year ended 31 October 2022

2. Accounting policies (continued)

Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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 arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Associates

Associates are initially recorded at cost and re-measured annually with changes in fair value and provisions for impairment recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The Company's policies for its major classes of financial assets and financial liabilities are set out below.

Notes to the financial statements

For the year ended 31 October 2022

2. Accounting policies (continued)

Financial assets

Basic financial assets, including intercompany working capital balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method:

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the Company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Offsetting of financial assets and financial liabilities

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.

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

2. Accounting policies (continued)

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.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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 profit and loss account 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 and discounted when any transfer of economic benefit would take place in more than one year from the balance sheet date.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Property, plant, and equipment

Tangible fixed assets are stated at historical cost, net of depreciation and any provision for impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Hardware	2 years
Leasehold improvements	Lesser of useful life and term of lease
Hardware servers	3 years
Equipment	2 to 3 years
Furniture and fixtures	5 years
Vehicles	3 years

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

2. Accounting policies (continued)

Intangible assets

Intangible assets are stated at historical cost, net of depreciation and any provision for impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Patents	20 years
Technology	2 years
Software	2 years

Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognizes right-of-use asset and a corresponding lease obligation with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For leases, the Company recognizes the lease payments as an operating expense on a straightline basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease payments included in the measurement of the lease obligation comprise:

- Fixed lease payments (including in-substance fixed payment), less any lease incentives receivable;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease obligation is presented as a separate line in the consolidated statement of financial position.

The lease obligation is initially measured at the present value of the lease payment that are not paid at the commencement date, discounted by using the rate implicit in the lease. If the rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease obligation is subsequently measured by increasing the carrying amount to reflect interest on the lease obligation (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease obligation (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease obligation is remeasured by discounting the revised lease payments using a revised discount rate.

Notes to the financial statements

For the year ended 31 October 2022

2. Accounting policies (continued)

Leases (continued)

The Company as a lessee (continued)

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease obligation is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease obligation is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

The Company did not make such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease obligation, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Property, Plant and Equipment policy.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the following are the critical judgements and estimates the director has exercised:

Critical accounting judgements

Incremental borrowing rate - Lease

Lease obligations are determined using the incremental borrowing rate of the Company, which involves management's judgement. Any change in the incremental borrowing rate used to determine the present value of the lease obligations. Management established the incremental borrowing rate of the Company by using the interest rate of high-quality corporate or government bonds with maturities similar to those of the lease obligations and market conditions.

Key sources of estimation uncertainty

The director does not believe that the Company has any critical sources of estimation uncertainty.

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

4. Turnover

The analysis of the group's turnover is as follows:

	2022 £	2021 £
Revenue with other unconsolidated group companies	36,208,772	31,256,529
Software licensing and subscriptions	1,245,783	665,495
Hardware and third-party products	37,641	147,014
Services	875,748	934,568
	<u>38,367,944</u>	<u>33,003,606</u>

5. Finance charges, net

	2022 £	2021 £
Interest expense on lease obligations	277,658	311,779
Interest expense and bank charges	20,851	21,843
Interest income on bank deposits	(10)	(9,640)
Loss (gain) on foreign exchange fluctuations	(47,446)	131,052
Other	6,307	8,717
	<u>257,630</u>	<u>463,751</u>

6. Profit before taxation

Profit is stated after charging/(crediting):

	2022 £	2021 £
Operating lease expense	482,387	441,018
Depreciation of property, plant and equipment	618,240	551,237
Depreciation of right-of-use assets	1,206,521	1,090,846
Amortization of intangible assets	-	80,208
Cost of stock recognized as an expense	-	-
Foreign exchange (gain)/loss	(47,446)	131,052
	<u></u>	<u></u>

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

7. Staff costs

The average monthly number of employees (including the one executive director) was:

	2022 No.	2021 No.
Administration	160	130
Sales	94	69
	<u>254</u>	<u>199</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	16,901,711	14,072,676
Social security costs and pension contributions	6,419,847	5,461,401
	<u>23,321,558</u>	<u>19,534,077</u>

8. Auditor's remuneration

Fees payable to Constantin and their associates for the audit of the Company's annual accounts were £25,300 (2021: £23,000). See table below for analysis.

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	25,300	23,000
Total audit fees	<u>25,300</u>	<u>23,000</u>
All other non-audit services	7,210	9,000
Total fees	<u>32,510</u>	<u>32,000</u>

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

9. Tax on profit

The tax charge comprises:

	2022 £	2021 £
Current taxation		
Current tax expense	1,310,578	1,709,707
Current tax adjustment to prior periods	191,106	26,892
Total current tax	<u>1,501,684</u>	<u>1,736,599</u>
Deferred tax		
Arising from origination and reversal of timing differences	(91,818)	(14,404)
Total deferred tax	<u>(91,818)</u>	<u>(14,404)</u>
Total tax on profit	<u>1,409,866</u>	<u>1,722,195</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2022 £	2021 £
Profit before tax	<u>6,022,456</u>	<u>6,343,448</u>
Tax on profit at standard UK corporation tax rate of 19% (2021: 19%)	1,144,267	1,205,255
Effects of:		
Expense not deductible for tax purposes	16,505	4,962
Income not taxable in determining taxable profit	-	14,915
Current tax adjustment to prior periods	191,106	26,892
Deferred tax credit from temporary differences from current and prior periods	7,326	60,493
Effect of unrecognized tax losses	(292,402)	23,480
Effect of different tax rates of subsidiaries operating in other jurisdictions	343,064	386,198
Tax charge for the year	<u>1,409,866</u>	<u>1,722,195</u>

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

9. Tax on profit (continued)

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Provision for deferred tax				
Fixed asset timing differences	74,028	74,028	74,028	74,028
Intangible asset timing differences	-	91,818	-	-
Short term timing differences	(13,415)	(13,415)	(13,415)	(13,415)
Total deferred tax liability	<u>60,613</u>	<u>152,431</u>	<u>60,613</u>	<u>60,613</u>
 Movement in provision				
Provision at start of period	152,431	166,835	60,613	70,517
Deferred tax charge in the Profit and Loss Account for the period	<u>(91,818)</u>	<u>14,404</u>	<u>-</u>	<u>(14,404)</u>
Provision at end of period	<u>60,613</u>	<u>152,431</u>	<u>60,613</u>	<u>60,613</u>

10. Profit attributable to the Company

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is £1,021,046 (2021: £897,966)

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

11. Fixed asset investments

	2022 £	2021 £
Investments in subsidiaries	2,253,564	2,253,564
	<u>2,253,564</u>	<u>2,253,564</u>

Details of undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office address	Principal activity	Class of shares	2022 Holding	2021 Holding
Genetec Deutschland GmbH	Martin-Luther-Platz 22 40212 Düsseldorf Germany	Wholesale of security products	Ordinary	100%	100%
Genetec Europe SARL	4-8 Rue Daru 75008 Paris France	Sale of security products, product development, custom software development	Ordinary	100%	100%
Q2C NV	19 Vaartdijkstraat 8200 Bruges Belgium	Development and sale of parking solutions	Ordinary	98%	98%
Genetec Austria GmbH ⁽¹⁾	Guglgasse 15 1110 Wien Vienna, Austria	Development and sale of video analytics and video control solutions	Ordinary	64%	64%
Genetec Italia S.R.L.	Viale Monza 347, Milan, 20126, Italy	Wholesale of security products	Ordinary	100%	100%
Genetec Yazilim A.S.	Kız Kulesi Sk. No:30/3 Kazım Özalp, 06700 Çankaya/Ankara, Turkey	Wholesale of security products	Ordinary	100%	100%

(1) Effective November 3, 2020, the name of the company was changed from Kiwisecurity Software GmbH to Genetec Austria GmbH.

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

12. Goodwill

As at October 31, 2022, the Company completed its annual impairment test. The recoverable amount, determined based on fair value, of £1,900,159 (2021: £1,900,159) is in excess of the carrying value of the cash-generating unit to which the goodwill is related. Accordingly, no impairment loss has been recognized as at October 31, 2022.

13. Intangible assets

Company

	Technology £	Total £
Cost		
At 31 October 2021	350,000	350,000
Additions	-	-
	<hr/>	<hr/>
At 31 October 2022	350,000	350,000
	<hr/>	<hr/>
Accumulated amortisation		
At 31 October 2021	350,000	350,000
Charge for the year	-	-
	<hr/>	<hr/>
At 31 October 2022	350,000	350,000
	<hr/>	<hr/>
Net book value		
At 31 October 2022	-	-
	<hr/>	<hr/>
At 31 October 2021	-	-
	<hr/>	<hr/>

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

13. Intangible assets (continued)

Group

	Technology £	Software £	Total £
Cost			
At 31 October 2021	2,461,670	13,598	2,475,268
Additions	-	-	-
Disposals	-	(849)	(849)
At 31 October 2022	2,461,670	12,749	2,474,419
Accumulated amortisation			
At 31 October 2021	2,461,670	849	2,462,519
Charge for the year	-	-	-
Disposals	-	(849)	(849)
At 31 October 2022	2,461,670	-	2,461,670
Net book value			
At 31 October 2022	-	12,749	12,749
At 31 October 2021	-	12,749	12,749

14. Tangible fixed assets

Company

	Hardware £	Leasehold improve- ments £	Hardware servers £	Furniture & fixtures £	Total £
Cost					
At 31 October 2021	74,441	374,643	18,606	75,784	543,474
Additions	40,750	-	-	-	40,750
At 31 October 2022	115,191	374,643	18,606	75,784	584,224
Accumulated depreciation					
At 31 October 2021	52,764	155,132	10,213	29,253	247,362
Charge for the year	23,970	77,257	5,468	15,156	121,851
At 31 October 2022	76,734	232,389	15,681	44,409	369,213
Net book value					
At 31 October 2022	38,457	142,254	2,925	31,375	215,011
At 31 October 2021	21,677	219,511	8,393	46,531	296,112

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

14. Tangible fixed assets (continued)

Group

	Hardware £	Leasehold improve- ments £	Hardware servers £	Equipment £	Furniture & fixtures £	Vehicles £	Total £
Cost							
At 31 October 2021	1,040,316	788,521	177,607	1,567,079	454,289	5,092	4,032,904
Additions	372,580	221,562	12,627	115,330	80,916	-	803,015
Disposals	(126,622)	(3,266)	(14,039)	(654,258)	(11,895)	-	(810,080)
At 31 October 2022	<u>1,286,274</u>	<u>1,006,817</u>	<u>176,195</u>	<u>1,028,151</u>	<u>523,310</u>	<u>5,092</u>	<u>4,025,839</u>
Accumulated depreciation							
At 31 October 2021	663,012	495,934	166,784	1,372,167	308,869	5,092	3,011,858
Charge for the year	259,737	142,104	10,528	137,556	65,809	-	615,734
Disposals	(126,622)	(3,266)	(14,039)	(648,157)	(6,019)	-	(798,103)
At 31 October 2022	<u>796,127</u>	<u>634,772</u>	<u>163,273</u>	<u>861,566</u>	<u>368,659</u>	<u>5,092</u>	<u>2,829,489</u>
Net book value							
At 31 October 2022	<u>490,147</u>	<u>372,045</u>	<u>12,922</u>	<u>166,585</u>	<u>154,651</u>	<u>-</u>	<u>1,196,350</u>
At 31 October 2021	<u>377,304</u>	<u>292,587</u>	<u>10,823</u>	<u>194,912</u>	<u>145,420</u>	<u>-</u>	<u>1,021,046</u>

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

15. Right-of-use assets

The Company leases various properties, vehicles, and equipment. Contracts are typically entered into for a fixed period of 2 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Extension and termination options are included in a number of property leases. These terms are used to maximize operational flexibility in terms of managing contracts.

Company

	Properties £	Vehicles £	Equipment £	Total £
Cost				
At 31 October 2021	708,011	86,757	13,658	808,426
Additions	50,007	60,527	-	110,534
Disposals	-	(33,567)	-	(33,567)
At 31 October 2022	<u>758,018</u>	<u>113,717</u>	<u>13,658</u>	<u>885,393</u>
Accumulated depreciation				
At 31 October 2021	292,970	25,919	4,370	323,259
Charge for the year	154,820	23,638	2,185	180,643
Disposals	-	(13,905)	-	(13,905)
At 31 October 2022	<u>447,790</u>	<u>35,652</u>	<u>6,555</u>	<u>489,997</u>
Net book value				
At 31 October 2022	<u>310,228</u>	<u>78,065</u>	<u>7,103</u>	<u>395,396</u>
At 31 October 2021	<u>415,041</u>	<u>60,838</u>	<u>9,288</u>	<u>485,167</u>

Group

	Properties £	Vehicles £	Equipment £	Total £
Cost				
At 31 October 2021	9,801,255	187,080	13,658	10,001,993
Additions	46,095	171,894	-	217,989
Disposals	(1,400,182)	(53,589)	-	(1,453,771)
Reclassification	5,961	(5,961)	-	-
At 31 October 2022	<u>8,453,129</u>	<u>299,424</u>	<u>13,658</u>	<u>8,766,211</u>

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

15. Right-of-use assets (continued)

Accumulated depreciation				
At 31 October 2021	1,860,147	69,873	4,370	1,934,390
Charge for the year	1,138,494	65,841	2,185	1,206,520
Disposals	(36,683)	(26,300)	-	(62,983)
Reclassification	3,698	(3,698)	-	-
	<u>2,965,656</u>	<u>105,716</u>	<u>6,555</u>	<u>3,077,927</u>
Net book value				
At 31 October 2022	5,487,473	193,708	7,103	5,688,284
At 31 October 2021	<u>7,941,108</u>	<u>117,207</u>	<u>9,288</u>	<u>8,067,603</u>

16. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,302,050	843,926	42,124	102,465
Amounts owing from Genetec UK Group companies	-	-	1,900,180	5,444,657
Prepayments and accrued income	423,405	130,068	75,819	20,542
Amounts owing from other Group companies	<u>21,544,414</u>	<u>17,035,058</u>	<u>4,716,794</u>	<u>128,148</u>
Total current trade and other debtors	<u>23,269,869</u>	<u>18,009,052</u>	<u>6,734,917</u>	<u>5,695,812</u>

Amounts owed by group undertakings do not have a fixed term, do not bear interest and are repayable on demand.

17. Cash at bank and in hand

	2022	2021
	£	£
Cash on hand – Company	<u>458,429</u>	<u>274,278</u>
	2022	2021
	£	£
Cash on hand – Group	<u>1,712,608</u>	<u>1,729,951</u>

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

18. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	516,122	188,858	52,029	38,122
Deferred revenue	117,684	192,458	-	-
Accrued expenses	6,006,667	5,502,283	712,565	590,653
Corporation tax	7,715	548,191	18,632	100,665
Current portion of lease obligations	1,205,611	1,032,448	294,081	223,636
	<u>7,853,799</u>	<u>7,464,238</u>	<u>1,077,307</u>	<u>953,076</u>

Amounts owed to group undertakings do not have a fixed term, do not bear interest and are repayable on demand.

19. Called up share capital and reserves

	No.	2022 £	No.	2021 £
Allotted, called-up and fully paid				
1 ordinary share of £1	10	10	1	1

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

Retained earnings

The profit and loss reserve represents cumulative profits or losses and other adjustments.

Cumulative translation reserve

The cumulative translation reserve represents other comprehensive income or loss that is not recorded in the profit and loss reserve.

20. Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	2,025	45,420
Later than one year	-	49,542

The amount of non-cancellable operating lease payments recognised as an expense during the year was £12,737 (2021: £441,018).

Genetec UK Limited

Notes to the financial statements For the year ended 31 October 2022

21. Related party transactions

The Company has taken advantage of the exemption contained in FRS 101 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

22. Guarantees

As at October 31, 2022, the following letter of guarantee were outstanding:

Guaranteed obligation	Maturity	£
Rent guarantee to landlord Vienna, Austria	January 20, 2024	23,015

23. Parent and ultimate parent undertaking

The immediate parent undertaking is Genetec Inc. a company incorporated in Canada, whose registered office is 2280 Alfred-Nobel Blvd, Montreal, Quebec, Canada. This is the largest group for which consolidated financial statements are prepared.

The ultimate parent company is Corporation de Recherche Willowdale Inc. whose registered office is 110 Avenue Willowdale, Montreal, Quebec, Canada.

24. Comparative figures

Certain comparative figures have been reclassified to conform to current year's presentation.