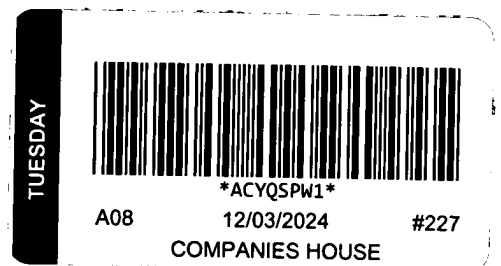


Company registration number SC150401 (Scotland)

**INDIGOVISION LIMITED**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**



# INDIGOVISION LIMITED

## COMPANY INFORMATION

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**Directors**

K Maher  
A Maktaz  
P Simoes  
V Damiao

**Secretary**

D England

**Company number**

SC150401

**Registered office**

Caledonian Exchange  
1st Floor  
19a Canning Street  
Edinburgh  
EH3 8EG

**Auditor**

RSM UK Audit LLP  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

**Bankers**

Royal Bank of Scotland Plc  
36 St Andrew Square  
Edinburgh  
EH2 2AD

**Solicitors**

Shepherd & Wedderburn LLP  
9 Haymarket Square  
Edinburgh  
EH3 8FY

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# INDIGOVISION LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present the strategic report for the year ended 31 December 2022.

#### Strategy

On 1 January 2022, IndigoVision transferred all sales orders and quotes yet to be fulfilled to Avigilon Corporation with IndigoVision branded goods being sold from this entity going forwards. During January 2022, existing distribution hubs were consolidated with existing Motorola Solutions warehouses in Richmond, Canada and Amsterdam, The Netherlands. The inventory was physically relocated, and ownership was transferred to Avigilon Corporation. During April 2022, ownership of all remaining property, plant and equipment and intangible assets, as well as remaining liabilities in respect of software upgrade programs and extended customer warranties, were also transferred to Avigilon Corporation. Revenue reported in the year relates to services provided up to the date of this final transfer.

#### Fair review of the business

Revenue in the year ended 31 December 2022 was \$767k. A decrease of \$34,986k (-98%) compared to 2021 (\$35,753k).

The gross margin, excluding other income, increased in the year to 61.8% in 2022 from 57.6% in 2021.

The operating loss for the year after exceptional items was \$160k compared to a loss of \$1,986k in 2021. This loss is stated after a foreign exchange gain of \$73k (2021: loss of \$203k) and exceptional items amounting to \$nil (2021: \$181k).

#### Adjusted EBITDA

Adjusted EBITDA is an accounting measure which the Board uses to calculate the company's current operating profitability allowing them to focus specifically on operational performance.

	2022 \$'000	2021 \$'000
Operating profit/(loss) after exceptional costs	(160)	(1,986)
Add back:		
Depreciation and amortisation	255	850
Office relocation costs	-	181
Adjusted earnings before interest, depreciation and amortisation	95	(955)

#### Key performance indicators

Financial KPIs	2022	2021	Measure
Operating margin	(20.9)%	(5.6)%	Operating profit/(loss) before financing costs/revenue
Cash and cash equivalents	\$3,005k	\$6,838k	
Net current assets	\$5,810k	\$4,786k	

# INDIGOVISION LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### Cash and treasury

Cash balances are mainly held in US dollars, sterling, euros and Canadian dollars. Cash reserves in excess of current requirements are placed on a variety of term deposits. Term deposits are placed with banks from the list of the company's approved institutions. Cash on term deposits is included within cash and cash equivalents on the balance sheet.

The company reviews its treasury and foreign currency policies on a regular basis.

### Principal Risks and Uncertainties

The board assesses risk within three categories, Macro-economic/Geo-political, Industry and company-specific risks. It allocates a risk-rating based upon probability and potential impact and assesses the mitigating actions that the company can take to mitigate such risks.

The principal risks and uncertainties affecting the business and the measures taken to mitigate their impact include the following:

#### Foreign currencies exchange rate fluctuations

The company monitors short and medium term exchange rates. The company currently holds cash and cash equivalents in US dollars, sterling, euro and Canadian dollars. Foreign currency is purchased as necessary at spot rates. The company's management does not currently use forward exchange contracts or other currency instruments at the present time, but continues to keep this under review.

#### The effect of legislation and other regulatory activities

The company regularly monitors forthcoming and current legislation and taxation changes as they affect the company.

On behalf of the board

*A. Maktaz*

.....  
A Maktaz

Director

08/03/24

Date: .....

# INDIGOVISION LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### Principal activities

The principal activity of the company is to act as the parent company and perform head office duties as necessary for a number of operating companies worldwide.

#### Branches

The company operated a branch in Dubai which was closed on 11 March 2022.

#### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

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

O Henken	(Resigned 29 December 2023)
K Maher	(Appointed 28 February 2022)
A Maktaz	
D Pekofske	(Resigned 28 February 2022)
P Simoes	
V Damiao	(Appointed 29 December 2023)

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

*A. Maktaz*

.....  
A Maktaz

Director

08/03/24

Date: .....

# **INDIGOVISION LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIGOVISION LIMITED

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### Opinion

We have audited the financial statements of IndigoVision Limited (the 'company') for the year ended 31 December 2022 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIGOVISION LIMITED (CONTINUED)**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101 and the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIGOVISION LIMITED (CONTINUED)

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The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates applied in the financial statements.

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

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

*Alan Aitchison*

Alan Aitchison (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

08/03/24  
.....

# INDIGOVISION LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$'000	2021 \$'000
Revenue	3	767	35,753
Cost of sales		(293)	(15,170)
<b>Gross profit</b>		<b>474</b>	<b>20,583</b>
Research and development expenses		-	(6,293)
Selling and distribution expenses		(199)	(12,250)
Administrative expenses		(667)	(5,431)
Other operating income		232	1,586
Exceptional item		-	(181)
<b>Operating loss</b>	<b>5</b>	<b>(160)</b>	<b>(1,986)</b>
Investment income	6	6	3
Interest payable to group undertakings	7	(7)	(26)
Other finance costs	7	-	(3)
<b>Loss before taxation</b>		<b>(161)</b>	<b>(2,012)</b>
Tax on loss	8	8	(405)
<b>Loss and total comprehensive income for the financial year</b>		<b>(153)</b>	<b>(2,417)</b>

All activity in the current and prior year relates to discontinued operations.

The notes on pages 11 to 23 form part of these financial statements.

**INDIGOVISION LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022 \$'000	\$'000	2021 \$'000	\$'000
<b>Fixed assets</b>					
Intangible assets	9	-	-	-	907
Property, plant and equipment	10	-	-	-	1,709
Investments in subsidiaries	11	-	9	-	9
			9		2,625
<b>Current assets</b>					
Inventories	13	-	-	7,362	-
Trade and other receivables	14	3,294	-	11,711	-
Cash and cash equivalents		3,005	-	6,838	-
		6,299	-	25,911	-
<b>Creditors - amounts falling due within one year</b>	15	(489)	-	(21,125)	-
<b>Net current assets</b>			5,810		4,786
<b>Total assets less current liabilities</b>			5,819		7,411
<b>Non-current liabilities</b>			-		(1,404)
<b>Provisions for liabilities</b>					
Other provisions	17	-	-	-	(35)
<b>Net assets</b>			5,819		5,972
<b>Equity</b>					
Called up share capital	19	-	398	-	398
Share premium account	20	-	8,434	-	8,434
Capital contribution reserve	21	-	3,163	-	3,163
Special reserve	22	-	760	-	760
Retained earnings		-	(6,936)	-	(6,783)
<b>Total shareholder's funds</b>			5,819		5,972

The financial statements were approved by the board of directors and authorised for issue on 08/03/24 and are signed on its behalf by:

*A. Maktaz*  
 .....  
 A Maktaz  
 Director

# INDIGOVISION LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Capital contribution reserve	Special reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2021	398	8,434	3,163	760	(4,366)	8,389
Year ended 31 December 2021:						
Loss and total comprehensive expense for the year	-	-	-	-	(2,417)	(2,417)
Balance at 31 December 2021	398	8,434	3,163	760	(6,783)	5,972
Year ended 31 December 2022:						
Loss and total comprehensive expense for the year	-	-	-	-	(153)	(153)
Balance at 31 December 2022	398	8,434	3,163	760	(6,936)	5,819

# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Company information

IndigoVision Limited is a private company limited by shares incorporated in Scotland. The registered office is Caledonian Exchange, 1st Floor, 19a Canning Street, Edinburgh, United Kingdom, EH3 8EG. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The company's earnings stream is primarily US dollars and the principal functional currency is the US dollar, being the most representative currency of the company. The company's financial statements are therefore prepared in US dollars and rounded to the nearest '\$000.

In preparing these financial statements, the company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the UK ("IFRS"), amended where necessary in order to comply with the Companies Act 2006.

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

#### Reduced disclosures

The company is a qualifying entity for the purposes of FRS 101, as it is a member of a group which prepares publicly available consolidated financial statements and it is included in the consolidation for that group. Accordingly, the following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements in accordance with FRS101:

- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment, intangible assets, investment property and biological assets;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- a reconciliation of the number and weighted average exercise prices of share options, how the fair value of share-based payments was determined and their effect on profit or loss and the financial position;
- comparative narrative information; and
- related party disclosures for transactions with the parent or wholly owned members of the group.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Where required, equivalent disclosures are given in the group accounts of Motorola Solutions Inc. which are available to the public and can be obtained from 500 W Monroe Street, Chicago, Illinois 60661, USA. Alternatively, they may be viewed online at [investors.motorolasolutions.com](http://investors.motorolasolutions.com).

# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies (Continued)

#### Going concern

As at 31 December 2022 the company had cash and cash equivalents of £3.0m and net current assets of £5.8m.

IndigoVision Limited is part of the Motorola Solutions Group and the group manages cash flow on a group treasury basis. Management review cash flow requirements across the group and allocate funds accordingly with a corresponding group balance recognised.

The directors have prepared cash flow forecasts for the company that cover at least 12 months from the date of authorisation of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

#### Revenue

Revenue comprises income from the sale of goods, income from technical support activities, income from the sale of software upgrade contracts for between one and five years, royalty income earned during the period and excludes sales tax.

#### Product revenue

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, in line with individual incoterms, which is normally when the goods have been despatched from the warehouse or are available for customer collection.

#### Technical support activities

Revenue from technical support activities is recognised on completion of the service.

#### Software upgrade contracts

Revenue from the sale of software upgrade contracts from between one and five years in length is deferred on the statement of financial position and recognised in the income statement on a straight-line basis over the length of the contract.

#### Extended warranty

Revenue from the sale of extended warranty services is deferred and is recognised across the period to the extended warranty relates.

#### Intangible assets other than goodwill

##### Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

An internally generated intangible asset arising from the company's product development is recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- the project from which the asset arises meets the company's criteria for assessing technical feasibility;
- it is probable that the asset created will generate future economic benefits, and
- the development cost of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies (Continued)

#### **Computer software**

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised using the straight-line method over their estimated useful lives (1 to 3 years). Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

#### **Intellectual property**

Acquired intellectual property is capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised using the straight-line method over their estimated useful lives (1 to 3 years). Costs associated with developing the intellectual property are recognised as an expense as incurred.

#### **Property, plant and equipment**

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below). Cost includes expenditure that is directly attributable to the acquisition of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Fixtures and fittings	3-10 years
Plant and equipment	3-50 years
Computer hardware	3 years
Demonstration equipment	2 years

The residual value, if not insignificant, and useful lives, are reassessed annually.

#### **Fixed asset investments**

Investments in subsidiaries are carried at cost less provision for any impairment. The foreign currency value of the investments are translated to US dollars at the exchange rates ruling at the statement of financial position date for presentation purposes in the financial statements.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the average cost principle and is the expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

#### **Financial assets**

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

Trade and other receivables are stated at their fair value on initial recognition and then amortised cost as reduced by appropriate allowances for specific estimated irrecoverable amounts and expected credit losses where necessary.

# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies (Continued)

##### ***Impairment of financial assets***

The carrying amounts of the company's assets, other than inventories, trade and other receivables and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

##### **Calculation of recoverable amount**

The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing fair value, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### **Reversal of impairment**

An impairment loss is reversed if there has been a positive change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### **Financial liabilities**

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments.

Trade and other payables are not interest bearing and are stated at their fair value at inception and then at amortised cost.

##### **Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### **Taxation**

The tax expense represents the sum of the current taxes payable and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

##### **Current tax**

The current tax payable is based on taxable income for the year using tax rates that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.



# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies (Continued)

#### **Provisions**

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

#### **Retirement benefits**

Obligations for contributions to defined pension plans are recognised as an expense in the income statement as incurred.

#### **Leases**

##### **Initial measurement of the lease liability**

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus extension periods that the company is reasonably certain to exercise and termination periods that the company is reasonably certain not to exercise.

##### **Subsequent measurement of the lease liability**

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss.

Variable lease payments not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

##### **Short-term leases**

Where the lease term is twelve months or less and the lease does not contain an option to purchase the leased asset, lease payments are recognised as an expense on a straight-line basis over the lease term.

##### **Leases of low-value assets**

Leases where the underlying asset is 'low-value', lease payments are recognised as an expense on a straight line basis over the lease term.

#### **Foreign exchange**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to US Dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### Key sources of estimation uncertainty

##### Inventories

Inventories are stated at the lower of cost and net realisable value. Some items included in inventories are written down to their net realisable value based on assumptions about future demand and market conditions. If actual market conditions are less favourable than those projected by management, then inventory may require to be written down by additional amounts. The assessment of whether an inventory write down is required is dependent on the circumstances prevailing at the time of the assessment.

##### Trade receivables

Trade receivables require management judgements in determining the amounts recoverable. Trade receivables are stated net of any provision for doubtful debts. The assessment of whether a receivable is doubtful is dependent on the circumstances prevailing at the time of the assessment.

##### Research and development

Expenditure on research activities undertaken with the prospect of gaining new technical knowledge and understanding is recognised as an expense in the income statement as incurred. The decision on whether development expenditure is capitalised rests with management. The decision is based on whether the development expenditure leads to a product which is technically feasible, production and sale are intended, a market exists and sufficient resources are available to complete the project. It is only when management can assess each of the requirements with certainty that a decision is made to capitalise the development expenditure in the financial statements. The assessment of whether a development should be capitalised is dependent on whether the circumstances prevailing at the time of the assessment.

#### 3 Revenue

	2022 \$'000	2021 \$'000
<b>Revenue analysed by class of business</b>		
Product/solutions	-	25,310
Support services	-	(2)
Software licences	-	6,683
Software upgrade contracts	727	3,534
Extended warranties	40	228
	<u>767</u>	<u>35,753</u>

# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 4 Employees

The average monthly number of persons employed by the company during the year was:

	2022 Number	2021 Number
Selling and distribution	-	4
Administration	-	1
Total	-	5

Their aggregate remuneration comprised:

	2022 \$'000	2021 \$'000
Wages and salaries	-	1,017
Social security costs	-	17
Pension costs	-	57
Redundancy	-	19
	-	1,110

The directors are employed and remunerated by another group company in both the current and prior periods.

### 5 Operating loss

	2022 \$'000	2021 \$'000
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(73)	203
Research and development costs	-	6,293
Fees payable to the company's auditor for the audit of the company's financial statements	18	45
Depreciation of property, plant and equipment	103	239
Amortisation of intangible assets (included within administrative expenses)	152	611
Net write down of inventories to realisable value	311	562
Allowance for/ recovery of doubtful trade receivables	51	29
Exceptional costs - Office relocation costs	-	181

### 6 Investment income

	2022 \$'000	2021 \$'000
Interest income		
Interest receivable	-	1
Other interest income	6	2
Total income	6	3

# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 7 Finance costs

	2022 \$'000	2021 \$'000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest payable to group undertakings	7	26
Interest on other loans	-	3
	<u>7</u>	<u>29</u>

### 8 Taxation

	2022 \$'000	2021 \$'000
<b>Current tax</b>		
UK corporation tax on profits for the current period	(8)	171
Adjustments in respect of prior periods	-	234
	<u>(8)</u>	<u>405</u>

The total tax (credit)/charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2022 \$'000	2021 \$'000
Loss before taxation	<u>(161)</u>	<u>(2,012)</u>
Expected tax credit based on a corporation tax rate of 19.00% (2021: 19.00%)	(31)	(382)
Effect of expenses not deductible in determining taxable profit	-	10
Adjustment in respect of prior years	23	234
Group relief	-	425
Foreign exchange differences	-	118
	<u>(8)</u>	<u>405</u>

# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 9 Intangible fixed assets

	Software	Development costs	Intellectual property	Total
	\$'000	\$'000	\$'000	\$'000
At 31 December 2021	635	199	1,518	2,352
Disposals	(635)	(199)	(1,518)	(2,352)
At 31 December 2022	-	-	-	-
<b>Amortisation and impairment</b>				
At 31 December 2021	635	199	611	1,445
Charge for the year	-	-	152	152
Eliminated on disposals	(635)	(199)	(763)	(1,597)
At 31 December 2022	-	-	-	-
<b>Carrying amount</b>				
At 31 December 2022	-	-	-	-
At 31 December 2021	-	-	907	907

During April 2022, all intangible assets were transferred to Avigilon Corporation at the net book value as at the date of transfer.

# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 10 Property, plant and equipment

	Plant and equipment \$'000	Fixtures and fittings \$'000	Computer hardware \$'000	Demonstration equipment \$'000	Total \$'000
<b>Cost</b>					
At 1 January 2022	632	1,679	426	67	2,804
Disposals	(632)	(1,679)	(426)	(67)	(2,804)
At 31 December 2022	-	-	-	-	-
<b>Accumulated depreciation and impairment</b>					
At 1 January 2022	629	158	248	60	1,095
Charge for the year	1	84	17	1	103
Eliminated on disposal	(630)	(242)	(265)	(61)	(1,198)
At 31 December 2022	-	-	-	-	-
<b>Carrying amount</b>					
At 31 December 2022	-	-	-	-	-
At 31 December 2021	3	1,521	178	7	1,709

During April 2022, all property, plant and equipment were transferred to Avigilon Corporation at the net book value as at the date of transfer.

#### 11 Investments

	Non-current 2022 \$'000	2021 \$'000
Investments in subsidiaries	9	9
	9	9

#### 12 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
IndigoVision Pte Ltd	80 Robinson Road, 02-00, Singapore, 068898	Ordinary	100.00
IndigoVision Australia Pty Ltd	Level 5, Deutsche Bank Place, 126 Phillip Street, Sydney, New South Wales, 2000	Ordinary	100.00
IndigoVision Security System (Shanghai) Co. Ltd	465 Zhenning Road, 161-3-385, Changning District, Shanghai	Ordinary	100.00
AgoraSys S.A	Rua da Cova da Moura, n. 2-3 Esq., 1350-117, Lisbon	Ordinary	100.00

# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Inventories

	2022 \$'000	2021 \$'000
Raw materials	-	119
Finished goods	-	7,243
	<u>-</u>	<u>7,362</u>

The write-down of inventories to net realisable value amounted to \$311,000 (2021 - \$562,000).

### 14 Trade and other receivables

	2022 \$'000	2021 \$'000
Trade receivables	-	10,367
Amounts owed by fellow group undertakings	3,271	-
Other receivables	12	1,157
Prepayments and accrued income	11	187
	<u>3,294</u>	<u>11,711</u>

### 15 Trade and other payables

	Current		Non-current	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade payables	20	5,465	-	-
Amounts owed to fellow group undertakings	435	12,975	-	-
Accruals and deferred income	34	2,490	-	1,112
Extended warranty income	-	95	-	292
Other payables	-	41	-	-
Provision	-	59	-	-
	<u>489</u>	<u>21,125</u>	<u>-</u>	<u>1,404</u>

# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 16 Lease liabilities

	2022 \$'000	2021 \$'000
<b>Effect of leases on financial performance:</b>		
Depreciation charge for the year included in 'administrative expenses' for right-of-use assets:		
Leasehold property	-	43
Computer hardware	-	2
	<u>-</u>	<u>45</u>
Total depreciation charge on leased assets	<u>-</u>	<u>45</u>
Lease expense in the year included in 'administrative expenses' for:		
Short-term, excluding leases with a term of once month or less	-	319
Leases of low value assets, excluding short-term leases disclosed above	-	1
	<u>-</u>	<u>320</u>

As at 31 December 2022 lease liabilities and related right of use assets were \$nil (2021: \$nil). The total outflow for lease liabilities in the year was \$nil (2021: \$1,000).

#### 17 Provisions for liabilities

	2022 \$'000	2021 \$'000
Current	-	59
Non-current	-	35
	<u>-</u>	<u>94</u>

The provision related to possible claims on products sold during the two year warranty period granted at the point of sale and had been based on analysis of product introductions and instances of actual goods returned. During April 2022, the warranty liability for sales was transferred to Aviligon Corporation.

#### 18 Retirement benefit schemes

	2022 \$'000	2021 \$'000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	-	57

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.



# INDIGOVISION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 19 Share capital

	2022 Number	2021 Number	2022 \$'000	2021 \$'000
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 10p each	2,429,042	2,429,042	398	398

The holders of ordinary shares are entitled to one vote per share at meetings of the company and are entitled to receive dividends as recommended by the directors. The holders of ordinary shares also have an unlimited right to share in the surplus remaining on winding up after all creditors are satisfied.

#### 20 Share premium account

	2022 \$'000	2021 \$'000
At the beginning and end of the year	8,434	8,434

#### 21 Capital contribution reserve

	2022 \$'000	2021 \$'000
At the beginning and end of the year	3,163	3,163

The capital contribution reserve represents IFRS 2 share based payments charges.

#### 22 Special reserve

	2022 \$'000	2021 \$'000
At the beginning and end of the year	760	760

The Special reserve account represents the balance held by the company for creditor protection following the court ruling on 27 June 2008 allowing the transfer of £26,788,184 of the share premium accounts to distributable reserves.

#### 23 Controlling party

The company's immediate parent company is IndigoVision Group Limited, registered in Scotland, at Caledonian Exchange 1st Floor, 19a Canning Street, Edinburgh, United Kingdom, EH3 8HE. The ultimate parent company and the ultimate controlling party is Motorola Solutions Inc., incorporated in the USA, at 500 W Monroe Street, Chicago, Illinois 60661, USA.

The only group into which the company is consolidated is Motorola Solutions Inc. Copies of the financial statements of that company may be obtained from Motorola Solutions Inc. at 500 Monroe Street, Chicago, Illinois 60661, USA. Alternatively, they may be viewed online at [investors.motorolasolutions.com](http://investors.motorolasolutions.com).