

Company Registration No. SC214445 (Scotland)

**IRIS TECHNOLOGY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011**

MONDAY



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COMPANIES HOUSE

# **IRIS TECHNOLOGY LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

A K Sood  
P K Sood  
C A Edwards  
D E Ireland

### **Secretary**

A K Sood

### **Company number**

SC214445

### **Registered office**

Saltire Court  
20 Castle Terra  
Edinburgh  
Scotland  
EH1 2EN

### **Independent Auditors**

Saffery Champness  
Lion House  
Red Lion Street  
London  
WC1R 4GB

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# **IRIS TECHNOLOGY LIMITED**

## **CONTENTS**

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 13

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## **IRIS TECHNOLOGY LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2011**

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The directors present their report and financial statements for the year ended 31 July 2011.

#### **Principal activities**

The principal activity of the company continued to be that of the specialised design and manufacture of mobile data communication systems used primarily in the automotive telematics industry.

#### **Directors**

The following directors have held office since 1 August 2010:

A K Sood  
P K Sood  
C A Edwards  
D E Ireland

#### **Auditors**

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors have reviewed the company's financial position at the balance sheet date and for the period ending on the anniversary of the date of approval of these financial statements. They have considered liquidity risk, key assumptions and uncertainties. As a result of this assessment, the directors have adopted the going concern basis of accounting for the preparation of these financial statements.

**IRIS TECHNOLOGY LIMITED**

**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 JULY 2011**

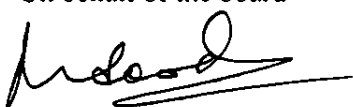
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**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

A handwritten signature in black ink, appearing to read 'P K Sood', with a horizontal line drawn underneath it.

P K Sood

**Director**

27 April 2012

## **IRIS TECHNOLOGY LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRIS TECHNOLOGY LIMITED**

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We have audited the financial statements of Iris Technology Limited for the year ended 31 July 2011 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**IRIS TECHNOLOGY LIMITED**

**INDEPENDENT AUDITORS' REPORT (continued)  
TO THE MEMBERS OF IRIS TECHNOLOGY LIMITED**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.



**Michael Di Leto (Senior Statutory Auditor)  
for and on behalf of Saffery Champness**

*27 April 2012*

**Chartered Accountants  
Statutory Auditors**

Lion House  
Red Lion Street  
London  
WC1R 4GB

**IRIS TECHNOLOGY LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2011**

	Notes	2011 £	2010 £
Turnover	2	326,082	59,579
Cost of sales		<u>(78,407)</u>	<u>(30,363)</u>
Gross profit		247,675	29,216
Administrative expenses		<u>(522,651)</u>	<u>(839,147)</u>
Operating loss	3	(274,976)	(809,931)
Other interest receivable and similar income	4	<u>-</u>	<u>34</u>
Loss on ordinary activities before taxation		(274,976)	(809,897)
Tax on loss on ordinary activities	5	<u>(5,741)</u>	<u>16,624</u>
Loss for the year	12	<u><u>(280,717)</u></u>	<u><u>(793,273)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.



# IRIS TECHNOLOGY LIMITED

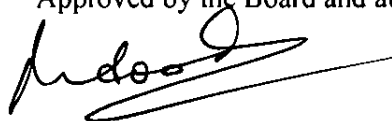
## BALANCE SHEET AS AT 31 JULY 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	6	238	(3,717)
<b>Current assets</b>			
Stocks		436,471	355,549
Debtors	7	104,963	59,343
Cash at bank and in hand		7,139	74,128
		<u>548,573</u>	<u>489,020</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,821,678)</u>	<u>(1,477,453)</u>
<b>Net current liabilities</b>		<u>(1,273,105)</u>	<u>(988,433)</u>
<b>Total assets less current liabilities</b>		<u>(1,272,867)</u>	<u>(992,150)</u>
<b>Capital and reserves</b>			
Called up share capital	11	55,586	55,586
Share premium account	12	631,914	631,914
Profit and loss account	12	<u>(1,960,367)</u>	<u>(1,679,650)</u>
<b>Shareholders' funds</b>	13	<u>(1,272,867)</u>	<u>(992,150)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 7 to 13 form part of these financial statements.

Approved by the Board and authorised for issue on 27 April 2012



P K Sood  
Director

Company Registration No. SC214445

# **IRIS TECHNOLOGY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on the going concern basis, which is dependent upon the continuing financial support of the company's ultimate parent company, Jaltek Systems Limited. The financial statements do not include any adjustments that would result from the company not being able to continue as a going concern.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.4 Research and development**

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	10 years straight line/2 years straight line
Fixtures, fittings & equipment	4 years straight line/3 years straight line (computer equipment)
Motor vehicles	3 years straight line

#### **1.6 Leasing**

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

#### **1.7 Stock**

Stock is valued at the lower of cost and net realisable value.

#### **1.8 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### **1.9 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

# IRIS TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 JULY 2011

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### 2 Turnover

In the year to 31 July 2011 39% (2010 - 54%) of the company's turnover was to markets outside the United Kingdom.

3 Operating loss	2011 £	2010 £
Operating loss is stated after charging:		
Depreciation of tangible assets	11,692	11,973
Research and development costs	260,000	225,000
Operating lease rentals	23,910	28,107
Auditors' remuneration (including expenses and benefits in kind)	3,416	3,500
Directors' remuneration	<u>75,463</u>	<u>70,820</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2010 - 2).

4 Investment income	2011 £	2010 £
Other interest	<u>-</u>	<u>34</u>

**IRIS TECHNOLOGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2011**

<b>5 Taxation</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
Adjustment for prior years	-	3,017
<b>Total current tax</b>	-	3,017
<b>Deferred tax</b>		
Deferred tax charge/credit current year	5,741	(19,641)
	<u>5,741</u>	<u>(16,624)</u>
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	<u>(274,976)</u>	<u>(809,897)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2010 - 28.00%)	<u>(71,494)</u>	<u>(226,771)</u>
Effects of:		
Non deductible expenses	626	14,053
Depreciation add back	3,040	3,352
Capital allowances	(5,053)	(2,113)
Research and development	(67,600)	(47,160)
Adjustment for prior year	-	3,017
Group relief	140,481	258,639
	<u>71,494</u>	<u>229,788</u>
<b>Current tax charge for the year</b>	<u>-</u>	<u>3,017</u>

**IRIS TECHNOLOGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2011****6 Tangible fixed assets**

	<b>Plant and machinery etc £</b>
<b>Cost</b>	
At 1 August 2010	161,942
Additions	15,647
	<hr/>
At 31 July 2011	177,589
	<hr/>
<b>Depreciation</b>	
At 1 August 2010	165,659
Charge for the year	11,692
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At 31 July 2011	177,351
	<hr/>
<b>Net book value</b>	
At 31 July 2011	238
	<hr/>
At 31 July 2010	(3,717)
	<hr/>

<b>7 Debtors</b>	<b>2011 £</b>	<b>2010 £</b>
Trade debtors	27,060	5,123
Amounts owed by group undertakings	30,696	-
Other debtors	16,128	17,400
Deferred tax asset (see note 9)	31,079	36,820
	<hr/>	<hr/>
	104,963	59,343
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**IRIS TECHNOLOGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2011**

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<b>8 Creditors: amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade creditors	3,101	278
Amounts owed to group undertakings	1,684,872	1,324,135
Taxation and social security	19,373	7,525
Other creditors	114,332	145,515
	<u>1,821,678</u>	<u>1,477,453</u>

**9 Provisions for liabilities**

The deferred tax asset (included in debtors, note 7) is made up as follows:

	<b>2011</b>
	<b>£</b>
Balance at 1 August 2010	(36,820)
Profit and loss account	5,741
	<u>(31,079)</u>
Balance at 31 July 2011	<u>(31,079)</u>

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Decelerated capital allowances	(3,728)	(6,117)
Other timing differences	(27,351)	(30,703)
	<u>(31,079)</u>	<u>(36,820)</u>

**10 Pension and other post-retirement benefit commitments****Defined contribution**

Contributions totalling £12,772 (2010: £17,083) were payable to the fund at the year end and are included in creditors.

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	<u>14,733</u>	<u>15,014</u>

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# IRIS TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 JULY 2011

11 Share capital	2011 £	2010 £
Allotted, called up and fully paid		
555,860 Ordinary shares of 10p each	<u>55,586</u>	<u>55,586</u>

12 Statement of movements on reserves	Share premium account £	Profit and loss account £
Balance at 1 August 2010	631,914	(1,679,650)
Loss for the year	<u>-</u>	<u>(280,717)</u>
Balance at 31 July 2011	<u>631,914</u>	<u>(1,960,367)</u>

13 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Loss for the financial year	(280,717)	(793,273)
Opening shareholders' funds	<u>(992,150)</u>	<u>(198,877)</u>
Closing shareholders' funds	<u>(1,272,867)</u>	<u>(992,150)</u>

## 14 Financial commitments

At 31 July 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2012:

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire:				
Within one year	-	21,600	-	-
Within two to five years	<u>-</u>	<u>-</u>	<u>5,256</u>	<u>4,608</u>
	<u>-</u>	<u>21,600</u>	<u>5,256</u>	<u>4,608</u>

## **IRIS TECHNOLOGY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 JULY 2011**

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#### **15 Transactions with directors**

Included within other creditors there is a loan from D Ireland, a director and shareholder of Iris Technology Limited of £29,059 (2010: £29,059)

#### **16 Control**

The parent company is Jaltek Systems Limited, a company incorporated in England and Wales.

The ultimate controlling party by virtue of a majority shareholding in Jaltek Systems Limited is the Jaltek Trust, a discretionary trust established in Jersey.

Jaltek Systems Limited prepare consolidated accounts and these are available at Companies House, Crown Way, Maindy, Cardiff.

#### **17 Related party relationships and transactions**

During the year the company did not make any intergroup sales (2010: Jaltek Systems Limited £21,099 and Wavesight Limited £476)

The company made no intercompany purchases (2010: £Nil).

At the year end the company was owed £30,073 by Hidalgo Limited and £623 by Wavesight Limited (2010: £Nil for both) and an amount of £1,684,872 (2010: £1,324,135) was due to Jaltek Systems Limited.