

THE IDCO. LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

THE IDCO. LIMITED

COMPANY INFORMATION

Directors	M Boocher L Campos N Kingsbury J Varga
Registered number	SC400459
Registered office	83 Princes Street Edinburgh EH2 2ER
Independent auditors	EQ Accountants LLP Chartered Accountants & Statutory Auditors 14 City Quay Dundee DD1 3JA

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		2021 £	2020 £
Fixed assets			
Intangible assets	4	171,340	206,051
Tangible assets	5	7,514	4,132
Investments	6	101	101
		<u>178,955</u>	<u>210,284</u>
Current assets			
Debtors: amounts falling due within one year	7	372,456	390,431
Cash at bank and in hand		374,333	161,096
		<u>746,789</u>	<u>551,527</u>
Creditors: amounts falling due within one year	8	(317,611)	(386,512)
Net current assets		<u>429,178</u>	<u>165,015</u>
Total assets less current liabilities		<u>608,133</u>	<u>375,299</u>
Creditors: amounts falling due after more than one year	9	(842,571)	(62,000)
Net (liabilities)/assets		<u><u>(234,438)</u></u>	<u><u>313,299</u></u>
Capital and reserves			
Called up share capital	10	12,732	12,732
Share premium account	11	10,558,899	10,558,899
Capital reserve	11	42,441	-
Profit and loss account	11	(10,848,510)	(10,258,332)
		<u><u>(234,438)</u></u>	<u><u>313,299</u></u>

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

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 September 2021.

J Varga
Director

The notes on pages 2 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Going concern

The directors have considered the impact of the COVID-19 pandemic and the impact on the business.

Having carried out the necessary review of working capital etc the directors are satisfied that the company will have sufficient resources in place to meet liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

In view of the above the directors consider it appropriate to prepare the financial statements on a going concern.

1.3 Revenue

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, excluding discounts, rebates, value added tax and other sales taxes. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Accounting policies (continued)

1.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Equipment, fixtures and fittings	-	20-33% straight line
Office equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. Accounting policies (continued)

1.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

During the year the business was in receipt of the following revenue grants in relation to COVID-19 pandemic:

Coronavirus Job Retention Scheme (CJRS) which is recognisable when receivable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Accounting policies (continued)

1.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

1.10 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

1.11 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Accounting policies (continued)

1.12 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2. General information

The IDCo Limited is a private company, limited by shares, domiciled in Scotland with registration number SC400459. The registered office is 83 Princes Street, Edinburgh, EH2 2ER.

3. Employees

The average monthly number of employees, including directors, during the year was 28 (2020 - 29).

4. Intangible assets

	Licences and IP £	Goodwill £	Total £
Cost			
At 1 July 2020	456,347	1,000	457,347
At 30 June 2021	456,347	1,000	457,347
Amortisation			
At 1 July 2020	250,853	443	251,296
Charge for the year on owned assets	34,661	50	34,711
At 30 June 2021	285,514	493	286,007
Net book value			
At 30 June 2021	170,833	507	171,340
At 30 June 2020	205,494	557	206,051

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

5. Tangible fixed assets

	Equipment, fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 July 2020	771	14,093	14,864
Additions	-	9,172	9,172
At 30 June 2021	<u>771</u>	<u>23,265</u>	<u>24,036</u>
Depreciation			
At 1 July 2020	168	10,564	10,732
Charge for the year on owned assets	154	5,636	5,790
At 30 June 2021	<u>322</u>	<u>16,200</u>	<u>16,522</u>
Net book value			
At 30 June 2021	<u>449</u>	<u>7,065</u>	<u>7,514</u>
At 30 June 2020	<u>603</u>	<u>3,529</u>	<u>4,132</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2020	101
At 30 June 2021	<u>101</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

7. Debtors

	2021 £	2020 £
Trade debtors	312,660	341,834
Prepayments and accrued income	59,796	48,597
	<u>372,456</u>	<u>390,431</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	159,120	242,312
Amounts owed to group undertakings	-	1
Other taxation and social security	52,635	40,116
Other creditors	14,153	9,045
Accruals and deferred income	91,703	95,038
	<u>317,611</u>	<u>386,512</u>

9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	<u>842,571</u>	<u>62,000</u>

The 'other loans' balance comprises two cohorts of convertible loan notes issued in October 2017 and July 2020 totalling £62,000 and £742,360 respectively. Per agreements, interest has been accrued at a rate of 10% on the 2017 loan notes and 8% on the 2020 loan notes. The option to convert these notes into shares is available at a discounted rate up until and upon maturity at 16th October 2022 for 2017 loans and 9th July 2023 for 2020 loans. A fair value adjustment of £ 42,441 to other capital reserves has been completed in accordance with FRS102 Section 22.13 to recognise the equity portion of these transactions.

10. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
5,976,079 (2020 - 5,976,079) Ordinary shares of £0.001 each	5,976	5,976
6,755,852 (2020 - 6,755,852) Series A shares of £0.001 each	6,756	6,756
	<u>12,732</u>	<u>12,732</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

11. Reserves

Share premium account

The share premium account is the balance of the amounts paid above par value on the issue of share capital.

Capital reserve

The capital reserve is the fair value of the equity element of the loan notes issued.

Profit and loss account

The profit and loss account is the balance of profits and losses made in the current and previous years.

12. Share based payments

At the year end the company held a total of 2,261,291 share options amongst 18 individuals (*2020 - 1,727,958 share options amongst 20 individuals*). During the year 56,667 share options lapsed due to 4 leavers. A further 590,000 share options were issued to existing option shareholders. The options are exercisable on the occurrence of an exit event, being a share sale, asset sale, an IPO or a voluntary winding up and lapse when the grantee ceases to work 25 hours per week or 75% of their working time as an employee or ceases to be an employee.

During the year there was no movement in the previously issued warrants, leaving a balance of 54,360 (*2020 - 54,360*).

The warrants have an exercise price of £1.09 per share on the fulfillment of certain conditions:

- the warrant holder meets certain performance criteria, of commercial value to the company; or
- certain hurdle in the share price of the company are met prior to the next round of investment in the company.

The warrant shall lapse in the event that:

- the warrant is unexercised following a sale, disposal or flotation of the company; or
- the warrant holder ceases to be a shareholder of the company; or
- the warrant holder chooses to exercise only part of its entitlement (the remaining warrant shall lapse); or
- the warrant holder does not (or is eligible to) exercise the warrant by 31 December 2023.

13. Auditors' information

The auditors' report on the financial statements for the year ended 30 June 2021 was unqualified.

The audit report was signed on 16 September 2021 by Douglas Rae (Senior statutory auditor) on behalf of EQ Accountants LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.