

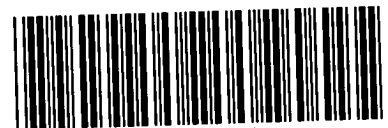
Company Registration No. 02414430 (England and Wales)

**ID BUSINESS SOLUTIONS LIMITED**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2018**

THURSDAY



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# **ID BUSINESS SOLUTIONS LIMITED**

## **COMPANY INFORMATION**

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**Directors**

T Illiano  
K Ward

**Company number**

02414430

**Registered office**

2 Occam Court  
Occam Road  
Surrey Research Park  
Guildford  
Surrey  
GU2 7QB

**Auditor**

Ernst & Young LLP  
One Cambridge Business Park  
Cambridge  
CB4 0WZ

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# **ID BUSINESS SOLUTIONS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present the strategic report and financial statements for the year ended 31 December 2018.

#### **Review of the business**

The results for the company show a pre-tax profit of £8.98 million (2017: loss of £3.39 million) for the year and revenue of £24.31 million (2017: £22.32 million). The directors are pleased to note the improvement in results following the upturn in revenues and actions taken to manage the cost base.

The company has net assets of £14.23 million (2017: £5.16 million).

The company has maintained its market position during the year, leaving the company in a good financial position at the end of the year.

The directors are pleased to note the improvement in results which has arisen following a number of actions taken in recent years to improve sales performance, streamline operations and return the company to profitability. In particular:

- a) Increase in revenues as a result of improved sales performance and securing new clients.
- b) Continued cost control following actions taken to streamline the business.

The directors are encouraged by these results and believe the work exerted in recent years will be of long term benefit to the company, however the company operates in a competitive space and it must continue to innovate and develop new technologies to stay ahead.

As in prior years the company has continued to invest in the future development of its software to remain a leading provider of software to the world's industrial research and development functions. Investment in product development so as to advance the company's technological offering is an important part of the company generating future growth.

During the year the company sold ID Business Solutions Inc. and Sub-X Inc. to the Danaher Group for £7.4m.

During the year the company made charitable donations of £1,027 (2017: £1,090) to charities interested in the chemical research sector, and disability or hospice charities that are of significance to staff.

#### **Employee involvement**

The company encourages communication and the involvement of its employees through periodic meetings and communications for the dissemination of information of particular concern to employees and for receiving their views on important matters. The company has an employee share option scheme in which a number of employees participate.

#### **Disabled persons**

The company employs individuals with disabilities when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There are programs in place to enable employees who have been injured or disabled in the course of their employment to, where possible, continue in employment with the company.

During employment the company seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

# ID BUSINESS SOLUTIONS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### Principal risks and uncertainties

As for many businesses of a similar size the business environment in which the company operates continues to be challenging. The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to continual cost pressures in the drug discovery markets, customer outsourcing to Asia, customer in-house development, and the highly competitive nature of the software market.

### Political and regulatory environment – Brexit implications

Despite the Article 50 Notice having been served, there remains insufficient information about the likely terms of the post-Brexit arrangements between the UK and the EU, as well as about any possible transitional arrangements, to draw any conclusions about the probable impact on the business. However, the directors have put in place procedures to mitigate the risk as much as possible and the business has operational plans in place to deal with the possible outcomes of Brexit negotiations.

### Key performance indicators

Management uses several measures to monitor the performance of the company on a quarterly basis including operating profit/(loss), cash flow and cash balances.

	2018	2017	Variance	Variance
	£	£	£	%
Revenue	24,312,557	22,318,703	1,993,854	8.9%
Operating profit/(loss)*	1,493,428	(1,188,458)	2,681,886	225.7%
Cash balances	13,851,342	3,727,714	10,123,628	271.6%

\*excluding exceptional costs.

The improvement in all of the KPI's is as a result of those factors outlined in the fair review of business and continued strong cash flow management.

### Future developments

The external commercial environment is expected to remain competitive in 2019, however the Directors remain confident that the company will maintain its market position and continue to improve its operational performance.

Bearing in mind the risks and uncertainties above, the Directors are conscious any plans for future development of the business may be subject to unforeseen future events outside of their control. This reflects the knowledge and information available to the Directors at the date of this review.

On behalf of the board



K Ward

Director

20/9/19

# ID BUSINESS SOLUTIONS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their annual report and financial statements for the year ended 31 December 2018.

#### Principal activities

The principal activity of the company continued to be to develop and sell software and provide consultancy services.

#### Branches

The financial statements of the company include the results of branches outside of the UK. The company has branches in Hong Kong, Australia, Japan, France and Germany. Foreign exchange differences on the translation of assets and liabilities of the branches have been recognised within other comprehensive income.

#### 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:

T Illiano

G Milosevich

K Ward

(Resigned 22 July 2019)

#### Research and development

Research and development costs have been incurred in the company's normal course of business. These costs have been expensed as incurred.

#### Financial risk management

This information is disclosed within the Strategic Report under the sections 'Principal Risks and Uncertainties' in accordance with section 414C(11) of the Companies Act 2006.

#### Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Auditor

Ernst & Young LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### 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, the directors individually 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 auditor is aware of that information.

On behalf of the board

.....  
K Ward

Director

Date: ..... 20/9/19

# **ID BUSINESS SOLUTIONS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors are responsible for preparing the Strategic Report, 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 FRS 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; and
- 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 ID BUSINESS SOLUTIONS LIMITED**

### **Opinion**

We have audited the financial statements of ID Business Solutions Limited for the year ended 31 December 2018 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position and Statement of changes in equity, and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit 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.

### **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 below. 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ID BUSINESS SOLUTIONS LIMITED (CONTINUED)**

### **Other information (continued)**

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 the 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 directors' report have been prepared in accordance with applicable legal requirements.

### **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 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ID BUSINESS SOLUTIONS LIMITED (CONTINUED)**

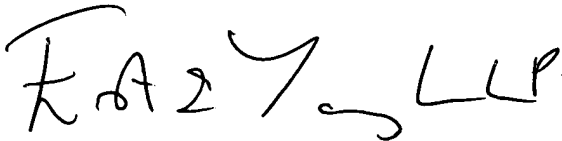
### **Auditor's responsibilities for the audit of the financial statements**

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 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

Handwritten signature of Fraser Bull in black ink.

Fraser Bull (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Cambridge

Date:

24 September 2019

# ID BUSINESS SOLUTIONS LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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	Notes	2018 £	2017 £
Revenue	3	24,312,557	22,318,703
Administrative expenses		(22,819,129)	(23,507,161)
Exceptional item	4	-	(2,196,032)
<b>Operating profit/(loss)</b>	<b>5</b>	<b>1,493,428</b>	<b>(3,384,490)</b>
Finance income	8	49,513	10,349
Finance costs	9	(4,688)	(11,305)
Income from sale of investments	10	7,446,000	-
<b>Profit/(loss) before income tax</b>		<b>8,984,253</b>	<b>(3,385,446)</b>
Income tax (expense)/credit	11	(308,901)	335,394
<b>Profit/(loss) for the financial year attributable to the owners of the company</b>		<b>8,675,352</b>	<b>(3,050,052)</b>

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# **ID BUSINESS SOLUTIONS LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018**

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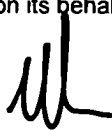
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Profit/(loss) for the year</b>	<b>8,675,352</b>	<b>(3,050,052)</b>
	<u>                    </u>	<u>                    </u>
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to profit or loss</b>		
Exchange differences on translation of foreign operations	(11,046)	4,530
	<u>                    </u>	<u>                    </u>
<b>Total comprehensive income/(loss) for the year attributable to the owners of the parent</b>	<b>8,664,306</b>	<b>(3,045,522)</b>
	<u>                    </u>	<u>                    </u>

**ID BUSINESS SOLUTIONS LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018**

		2018 £	2017 £
<b>ASSETS</b>	<b>Notes</b>		
<b>Non-current assets</b>			
Intangible assets	12	227,837	227,837
Property, plant and equipment	13	74,933	149,022
Investments	14	2,000	3,215
<b>Total non-current assets</b>		<b>304,770</b>	<b>380,074</b>
<b>Current assets</b>			
Trade and other receivables	16	8,705,770	8,711,282
Current tax recoverable		933,700	931,992
Deferred tax asset	19	139,316	434,193
Cash and cash equivalents		13,851,342	3,727,714
<b>Total current assets</b>		<b>23,630,128</b>	<b>13,805,181</b>
<b>Total assets</b>		<b>23,934,898</b>	<b>14,185,255</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables	17	171,682	256,187
Obligations under finance leases	18	5,318	20,529
<b>Total non-current liabilities</b>		<b>177,000</b>	<b>276,716</b>
<b>Current liabilities</b>			
Trade and other payables	17	8,692,781	8,316,796
Taxation and social security		801,031	356,928
Obligations under finance leases	18	34,255	78,830
<b>Total current liabilities</b>		<b>9,528,067</b>	<b>8,752,554</b>
<b>Total liabilities</b>		<b>9,705,067</b>	<b>9,029,270</b>
<b>Net assets</b>		<b>14,229,831</b>	<b>5,155,985</b>
<b>EQUITY</b>			
Called up share capital	22	10,625	10,625
Share premium account		937	937
Capital redemption reserve		95	95
Retained earnings		14,218,174	5,144,328
<b>Total equity</b>		<b>14,229,831</b>	<b>5,155,985</b>

The financial statements were approved by the board of directors and authorised for issue on 20 September 2019 and are signed on its behalf by:

K Ward  
Director



# ID BUSINESS SOLUTIONS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total £
<b>Balance at 1 January 2017</b>		9,563	937	95	5,095,409	5,106,004
<b>Year ended 31 December 2017:</b>						
Loss for the year		-	-	-	(3,050,052)	(3,050,052)
Other comprehensive income:						
Exchange differences on translation of foreign operations		-	-	-	4,530	4,530
Total comprehensive income for the year		-	-	-	(3,045,522)	(3,045,522)
Issue of share capital	22	1,062	-	-	-	1,062
Credit to equity for equity settled share-based payments	21	-	-	-	3,094,441	3,094,441
Total attributable to the owners of the parent		1,062	-	-	48,919	49,981
<b>Balance at 31 December 2017</b>		10,625	937	95	5,144,328	5,155,985
<b>Year ended 31 December 2018:</b>						
Profit for the year		-	-	-	8,675,352	8,675,352
Other comprehensive income:						
Exchange differences on translation of foreign operations		-	-	-	(11,046)	(11,046)
Total comprehensive income for the year		-	-	-	8,664,306	8,664,306
Credit to equity for equity settled share-based payments	21	-	-	-	409,540	409,540
Total attributable to the owners of the parent		-	-	-	9,073,846	9,073,846
<b>Balance at 31 December 2018</b>		10,625	937	95	14,218,174	14,229,831

Total equity is attributable to the owners of the parent.

# **ID BUSINESS SOLUTIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1 Accounting policies**

##### **Company information**

ID Business Solutions Limited is a private company limited by shares and incorporated in England and Wales. The registered office is 2 Occam Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7QB.

##### **Accounting convention**

The financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework (FRS 101).

These financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

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

##### **First time adoption of FRS 101**

The company meets the definition of a qualifying entity under FRS 101, The Financial Reporting Standard applicable in the UK and Republic of Ireland. These financial statements for the year ended 31 December 2018 are the first financial statements of ID Business Solutions Limited prepared in accordance with FRS 101. The company transitioned from UK GAAP to FRS 101 for all periods presented and the date of transition to FRS 101 was 1 January 2017.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 101.

##### **Reduced disclosures**

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirement to disclose the future impact of a new IFRS in issue but not effective at the reporting date.
- The requirement to produce a third statement of financial position when applying a change in accounting policy, retrospective restatement or reclassification.
- The requirement to publish a Statement of Cash Flows.
- The requirement to disclose compensation for key management between short term employee benefits, post-employment benefits and other long term benefits.
- Comparative information has not been given in respect of:
  - a reconciliation of the carrying amount of each class of tangible assets at the beginning of the period;
  - a reconciliation of the carrying amount of each class of intangible assets at the beginning of the period;
- The requirement to disclose the valuation techniques applied to assets and liabilities held at fair value.
- The requirement to disclose information relating to the company's objectives, policies and processes for managing capital.
- Disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments.

# **ID BUSINESS SOLUTIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1 Accounting policies (Continued)**

##### **Reduced disclosures (Continued)**

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined) this includes the exemption to disclose details of option pricing models used and inputs into that model, plus how volatility was determined.

The following requirements in respect of share based payment arrangements:

- to disclose the weighted average exercise prices of share options outstanding, granted, forfeited, exercised and expired during the period, and those outstanding or exercisable at the end of the period.
- The pricing model and inputs used to determine the fair value of the share options.
- The requirements to disclose related party transactions entered into between two or more, wholly owned, members of a group.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard. Where required, equivalent disclosures are given in the group accounts of Danaher Corporation. The group accounts of Danaher Corporation are available to the public and can be obtained from its registered office, 2200 Pennsylvania Avenue Suite 800 West, Washington DC 20037, USA, and on its website [investors.danaher.com/annual-report-and-proxy](http://investors.danaher.com/annual-report-and-proxy).

##### **Consolidation**

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

ID Business Solutions Limited is a wholly owned subsidiary of Danaher Corporation and the results of ID Business Solutions Limited are included in the consolidated financial statements of Danaher Corporation which are available from its registered office and its website as disclosed above.

##### **Going concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Revenue**

Revenue is recognised when control of the promised products or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services (the transaction price). A performance obligation is a promise in a contract to transfer a distinct product or service to a customer. For equipment, consumables, spare parts and most software licenses sold by the Company, control transfers to the customer at a point in time. The Company's principal terms of sale are FOB Shipping Point, or equivalent, and, as such, the Company primarily transfers control and records revenue for product sales upon shipment. Sales arrangements with delivery terms that are not FOB Shipping Point are not recognised upon shipment and the transfer of control for revenue recognition is evaluated based on the associated shipping terms and customer obligations. If a performance obligation to the customer with respect to a sales transaction remains to be fulfilled following shipment (typically installation or acceptance by the customer), revenue recognition for that performance obligation is deferred until such commitments have been fulfilled. Returns for products sold are estimated and recorded as a reduction of revenue at the time of sale. Customer allowances and rebates, consisting primarily of volume discounts and other short-term incentive programs, are recorded as a reduction of revenue at the time of sale because these allowances reflect a reduction in the transaction price. Product returns, customer allowances and rebates are estimated based on historical experience and known trends. For extended warranty, service, post contract support ("PCS"), software-as-a-service ("SaaS") and other long-term contracts, control transfers to the customer over the term of the arrangement. Revenue for extended warranty, service, PCS, SaaS and certain software licenses is recognised based upon the period of time elapsed under the arrangement.

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (Continued)

##### Revenue (Continued)

For a contract with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation on a relative standalone selling price basis using the Company's best estimate of the standalone selling price of each distinct product or service in the contract. The primary method used to estimate standalone selling price is the price observed in standalone sales to customers; however, when prices in standalone sales are not available the Company may use third-party pricing for similar products or services or estimate the standalone selling price. Allocation of the transaction price is determined at the contracts' inception. The Company does not adjust transaction price for the effects of a significant financing component when the period between the transfer of the promised good or service to the customer and payment for that good or service by the customer is expected to be one year or less. This allocation approach also applies to contracts that include a lease component.

##### Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not subsequently reversed.

##### Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the lease term
Fixtures and fittings	between 3 and 7 years
Motor vehicles	between 4 and 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

##### Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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.



# **ID BUSINESS SOLUTIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1 Accounting policies (Continued)**

##### **Impairment of tangible and intangible assets**

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### **Fair value measurement**

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

##### **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. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### ***Loans and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### ***Financial liabilities***

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

#### ***Other financial liabilities***

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### ***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.

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **Share-based payments**

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (Continued)

##### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

##### Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

#### 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

###### Goodwill

The recoverable amount of goodwill is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

###### Deferred taxation

Deferred tax liabilities and assets are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

#### 3 Revenue

	2018 £	2017 £
<b>Revenue analysed by class of business</b>		
Software and consultancy services	24,312,557	22,318,703

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 3 Revenue (Continued)

	2018 £	2017 £
<b>Revenue analysed by geographical market</b>		
United Kingdom	4,012,480	2,651,743
United States	7,242,818	6,310,232
Rest of the World	13,057,259	13,356,728
	<u>24,312,557</u>	<u>22,318,703</u>

#### 4 Exceptional items

	2018 £	2017 £
Professional fees	-	2,196,032
	<u>-</u>	<u>2,196,032</u>

The exceptional professional fees relate to the acquisition of the company and its subsidiaries by Danaher Corporation during the prior year.

#### 5 Operating profit/(loss)

	2018 £	2017 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(120,313)	49,106
Fees payable to the company's auditor for the audit of the company's financial statements	25,100	60,750
Depreciation of property, plant and equipment	83,906	125,903
Profit on disposal of property, plant and equipment	(18,000)	-
Amortisation of intangible assets	-	31,630
Share-based payments	409,540	3,094,441
	<u>409,540</u>	<u>3,094,441</u>

#### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Office and management	23	26
Sales	25	23
Research and development services	114	118
	<u>162</u>	<u>167</u>

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	10,013,252	12,805,036
Social security costs	1,325,979	1,264,644
Pension costs	321,708	320,937
	<u>11,660,939</u>	<u>14,390,617</u>

### 7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	-	303,604
Company pension contributions to defined contribution schemes	-	5,417
	<u>-</u>	<u>309,021</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	n/a	303,604
Company pension contributions to defined contribution schemes	n/a	5,417
	<u>n/a</u>	<u>5,417</u>

As total directors' remuneration was less than £200,000 in the current year, no disclosure for the highest paid director is provided for that year.

During the year, remuneration costs for 3 Directors (2017: none) was borne by other group companies. The Directors do not believe that it is practicable to apportion this amount between their qualifying services as Directors of the Company and their qualifying services as Directors of other group companies, and no recharge was made.

No Directors are accruing retirement benefits under defined contribution pension schemes (2017: one). No Directors received payments under long term incentive schemes (2017: none).

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 8 Finance income

	2018 £	2017 £
Interest on bank deposits	28,647	10,272
Interest receivable from group companies	20,853	-
Other interest income	13	77
	<u>49,513</u>	<u>10,349</u>

Total interest income for financial assets that are not held at fair value through profit or loss is £28,647 (2017 - £10,272).

#### 9 Finance costs

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost	<u>4,688</u>	<u>11,305</u>

#### 10 Income from sale of investments

	2018 £	2017 £
Gain on disposal of fixed asset investments	<u>7,446,000</u>	<u>-</u>

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 11 Income tax expense

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	-
<b>Total UK current tax</b>	-	-
Foreign taxes and reliefs	17,388	20,712
Foreign tax adjustment in respect of prior periods	(3,364)	-
<b>Total foreign current tax</b>	14,024	20,712
	14,024	20,712
<b>Deferred tax</b>		
Origination and reversal of temporary differences	347,140	(367,668)
Adjustment in respect of prior periods	(52,263)	11,562
	294,877	(356,106)
<b>Total tax charge/(credit)</b>	308,901	(335,394)

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2018 £	2017 £
Profit/(loss) before taxation	8,984,253	(3,385,446)
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2017: 19.25%)	1,707,008	(651,698)
Effect of expenses not deductible in determining taxable profit	-	234,649
Income not taxable	(1,319,028)	-
Adjustment in respect of prior years	(52,263)	49,381
Effect of change in UK corporation tax rate	(40,840)	11,562
Effect of overseas tax rates	14,024	20,712
<b>Taxation charge/(credit) for the year</b>	308,901	(335,394)

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduced the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015. As a result of the change in the UK main rates of corporation tax, the relevant deferred tax balances have been remeasured.



# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2018	227,837
At 31 December 2018	227,837
<b>Carrying amount</b>	
At 31 December 2018	227,837
At 31 December 2017	227,837

### 13 Property, plant and equipment

	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2018	83,648	1,961,102	51,641	2,096,391
Additions	-	9,817	-	9,817
Disposals	(37,176)	(535,944)	(51,641)	(624,761)
At 31 December 2018	46,472	1,434,975	-	1,481,447
<b>Accumulated depreciation and impairment</b>				
At 1 January 2018	83,327	1,812,401	51,641	1,947,369
Charge for the year	117	83,789	-	83,906
Eliminated on disposal	(37,176)	(535,944)	(51,641)	(624,761)
At 31 December 2018	46,268	1,360,246	-	1,406,514
<b>Carrying amount</b>				
At 31 December 2018	204	74,729	-	74,933
At 31 December 2017	321	148,701	-	149,022

The net carrying value of tangible fixed assets includes £44,776 (2017: £102,359) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £57,096 (2017: £70,711) for the year.

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 14 Investments

	2018 £	2017 £
Investments in subsidiaries	-	1,215
Other investments	2,000	2,000
	<u>2,000</u>	<u>3,215</u>

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

#### Fair value of financial assets carried at amortised cost

The directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

#### Movements in non-current investments

	Shares in group undertakings £	Other investments other than loans £	Total £
<b>Cost or valuation</b>			
At 1 January 2018	1,215	2,000	3,215
Disposals	(1,215)	-	(1,215)
	<u>-</u>	<u>2,000</u>	<u>2,000</u>
At 31 December 2018	-	2,000	2,000
<b>Carrying amount</b>			
At 31 December 2018	-	2,000	2,000
	<u>-</u>	<u>2,000</u>	<u>2,000</u>
At 31 December 2017	1,215	2,000	3,215
	<u>1,215</u>	<u>2,000</u>	<u>3,215</u>

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
InforSense Limited	1	100.00	100.00	Not trading
InforSense (Shanghai) Limited	2	100.00	100.00	Software development
InforSense LLC	3	100.00	100.00	Not trading
IDBS Asia-Pacific Limited	1	100.00	100.00	Not trading
IDBS Hong-Kong Limited	4	100.00	100.00	Not trading

#### Registered office addresses:

- 1 2 Occam Court, Surrey Research Park, Guildford, Surrey, GU2 7QB, UK
- 2 A-301.180, South Changjiang Road, Shanghai, China
- 3 1301 Marina Village Parkway, Suite 320, Alameda, California 94501, USA
- 4 c/o Wellset Nominee & Secretarial Ltd, Room 1005A, 10/F. Harbour Crystal Centre, 100 Granville Road, Tsimshatsui East, Kowloon, Hong Kong

#### 16 Trade and other receivables

	2018 £	2017 £
Trade receivables	5,402,288	6,382,007
Other receivables	99,511	146,006
VAT recoverable	-	48,047
Amount due from parent undertaking	1,321,387	1,299,999
Amounts due from subsidiary undertakings	1,413,954	376,351
Prepayments	468,630	458,872
	<u>8,705,770</u>	<u>8,711,282</u>

#### 17 Trade and other payables

	Current		Non-current	
	2018 £	2017 £	2018 £	2017 £
Trade payables	1,229,495	1,069,730	-	-
Amounts due to fellow group undertakings	353,616	241,130	-	-
Accruals	6,084,623	6,530,729	171,682	256,187
Other payables	1,025,047	475,207	-	-
	<u>8,692,781</u>	<u>8,316,796</u>	<u>171,682</u>	<u>256,187</u>

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 18 Finance lease obligations

	Minimum lease payments		Present value	
	2018	2017	2018	2017
Amounts payable under finance leases:	£	£	£	£
Within one year	34,255	78,830	34,255	78,830
Over one year but within five years	5,318	20,529	5,318	20,529
	<u>39,573</u>	<u>99,359</u>	<u>39,573</u>	<u>99,359</u>

#### Analysis of finance leases

Finance lease obligations are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2018	2017
	£	£
Current liabilities	34,255	78,830
Non-current liabilities	5,318	20,529
	<u>39,573</u>	<u>99,359</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Accelerated capital allowances £	Tax losses £	Short term timing differences £	Total £
Deferred tax asset at 1 January 2017	(41,052)	-	(37,035)	(78,087)
<b>Deferred tax movements in prior year</b>				
Credit to profit or loss	(8,704)	(303,367)	(55,597)	(367,668)
Adjustment in respect of prior years	1,291	7,869	2,402	11,562
Deferred tax liability at 1 January 2018	-	-	-	-
Deferred tax asset at 1 January 2018	(48,465)	(295,498)	(90,230)	(434,193)
<b>Deferred tax movements in current year</b>				
(Credit)/charge to profit or loss	(20,486)	278,499	89,127	347,140
Adjustment in respect of prior years	-	(52,263)	-	(52,263)
Deferred tax asset at 31 December 2018	(68,951)	(69,262)	(1,103)	(139,316)

It is not known how much of the deferred tax asset set out above is expected to reverse within 12 months. This relates to the utilisation of tax losses against future expected profits and accelerated capital allowances that are expected to mature within the same period.

	2018 £	2017 £
Deferred tax assets	(139,316)	(434,193)

#### 20 Retirement benefit schemes

##### Defined contribution schemes

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. At the balance sheet date, contributions of £6,486 (2017: £15,939) were payable by the company to the scheme and are included in other creditors.

The total costs charged to income in respect of defined contribution plans is £321,708 (2017: £320,937).

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 21 Share-based payment transactions

##### *Equity-settled share option plan*

The company formed an unapproved share option scheme on 30 September 2013. All existing options were exercised in October 2017 at an exercise price of 1p per share. After the shares were fully exercised, the share option scheme was closed.

##### *Group equity-settled share option plan*

Certain employees of the Company, along with other group employees, have been granted options over the shares in the Company's ultimate parent undertaking, Danaher Corporation. The options are granted with a fixed exercise price, are exercisable either 5 years or 3 years after the date of the grant, and expire 10 years after the date of the grant. Employees are required to remain in employment with the group until the options become exercisable.

The Company recognises a share-based payment expense based on the fair value of the awards granted, and an equivalent credit directly in equity as a capital contribution.

On exercise of the shares by the employees, the Company is charged the intrinsic value of the shares by Danaher Corporation. This amount is treated as a reduction of the capital contribution, and it is recognised directly in equity.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant-vest	Expiry date	Exercise price in \$ per option	Number of options
2018	2028	99.20-101.65	29,320

The charge for the year included in these financial statements is £409,540 (2017: £3,094,441).

#### 22 Share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b><i>Issued and fully paid</i></b>		
850,000 'A' ordinary shares of 1p each	8,500	8,500
106,200 'B' ordinary shares of 1p each	1,062	1,062
106,300 'C' ordinary shares of 1p each	1,063	1,063
	<u>10,625</u>	<u>10,625</u>

##### *Ordinary 'A' share rights*

The company's ordinary 'A' shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

##### *Ordinary 'B' share rights*

The company's ordinary 'B' shares, which carry no right to fixed income, do not carry the right to vote at general meetings of the company.

##### *Ordinary 'C' share rights*

The company's ordinary 'C' shares, which carry no right to fixed income, do not carry the right to vote at general meetings of the company.

# ID BUSINESS SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 23 Reserves

**Share premium account**

The share premium account represents consideration received for shares issued above their nominal value net of transaction costs.

**Capital redemption reserve**

The capital redemption reserve represents the nominal value of shares repurchased and still held at the end of the reporting period.

**Retained earnings**

Retained earnings represent the cumulative profit and loss of the company, net of distributions to owners.

#### 24 Operating lease commitments

**Lessee**

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2018 £	2017 £
Minimum lease payments under operating leases	411,786	409,808

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	413,549	436,130
Between one and five years	1,482,429	1,320,611
In over five years	2,401,078	2,701,108
	4,297,056	4,457,849

#### 25 Related party transactions

The company has taken advantage of the exemptions provided by Section 8 of FRS 101 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

# **ID BUSINESS SOLUTIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **26 Controlling party**

The company's immediate parent undertaking is Launchchange Operations Limited, a company incorporated in England and Wales. The ultimate parent undertaking and controlling party is Danaher Corporation, a company incorporated in the USA.

The smallest and largest group in which the results of the company are consolidated is headed up by Danaher Corporation. The consolidated financial statements of this group are available to the public and may be obtained from 2200 Pennsylvania Avenue, Suite 800 West, Washington DC 20037, USA.