

YOKOGAWA RAP LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

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FOR THE YEAR ENDED 31 MARCH 2021**

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YOKOGAWA RAP LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

DIRECTOR: C I Ramsden

SECRETARY: B Murrey

REGISTERED OFFICE: Stuart Road
Manor Park
Runcorn
Cheshire
WA7 1TR

REGISTERED NUMBER: 02960461 (England and Wales)

AUDITORS: Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

BANKERS: H S B C
10 Portland Street
Swansea
SA1 3DF

SOLICITORS: Morgan La Roche
Bay House
Pheonix Way
Swansea
SA1 9YT

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The director presents his strategic report for the year ended 31 March 2021.

REVIEW OF BUSINESS

The business environment over the past 12 months has been significantly challenging under the COVID-19 pandemic, seeing effects on sales activity and customer investments decisions. The focus is on the Company's integration into the Yokogawa group and confident that this will be a positive step in future profitability.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks that the business faces are the general economic risk and sensitivity to major changes in the price of oil since this will affect maintenance budgets and future investment decisions. The company mitigates this with strong forecasting and tight cost control. Exchange rate exposure is limited via natural hedges and, where a transaction risk is material, hedges are undertaken via the parent company.

FUTURE DEVELOPMENTS

The group introduced an new medium term business plan ("MTBP") during the period called "Accelerate Growth 2023". The four basic strategies of this new Accelerate Growth 2023 MTBP are:

- 1) Implement IA2IA & smart manufacturing and transform value provision
- 2) Strengthen industry responsiveness and expand cross-industry business
- 3) Ensure profitability and sound growth
- 4) Optimize internal operations and transform mindsets

The Company is positioned to support Yokogawa group's MTBP and will seek to enhance its corporate value.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future performance and development are set out in the Strategic Report. The Company's forecasts and projections, taking account of possible changes in trading performance as a result of the COVID-19 pandemic, low oil prices and the UK leaving the EU, show that the company should be able to operate within the current working capital facility. The Company's financial results are expected to improve in the future as it integrates with the Yokogawa group and utilises the Yokogawa sales channels. The Company is also expected to receive financial support from its parent and the group during this period.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They thus continue to adopt the going concern basis of accounting in preparing the annual financial statements.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

ON BEHALF OF THE BOARD:

C I Ramsden - Director

24 March 2022

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MARCH 2021**

The director presents his report with the financial statements of the company for the year ended 31 March 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2021.

DIRECTORS

C I Ramsden has held office during the whole of the period from 1 April 2020 to the date of this report.

Other changes in directors holding office are as follows:

H Van Den Berg ceased to be a director after 31 March 2021 but prior to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Bevan Buckland LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C I Ramsden - Director

24 March 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF YOKOGAWA RAP LIMITED

Opinion

We have audited the financial statements of Yokogawa RAP Limited (the 'company') for the year ended 31 March 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to note 2 in the financial statements, which indicates that the company incurred a net loss of £(199,048) during the year ended 31 March 2021 and also notes the effect of these losses on the Company. As stated in note 2, these results, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director 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 the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF YOKOGAWA RAP LIMITED

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
 - Assumptions used when valuing projects ongoing at the year end; and
 - The cut-off of accrued and deferred income
- obtaining an understanding of the legal and regulatory frameworks that the Company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
YOKOGAWA RAP LIMITED**

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 a Report of the Auditors 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.

Alison Vickers (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

24 March 2022

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

| | | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|--|-------|----------------------------|---|
| | Notes | | |
| TURNOVER | 3 | 1,350,907 | 1,598,232 |
| Cost of sales | | <u>(911,183)</u> | <u>(1,170,877)</u> |
| GROSS PROFIT | | 439,724 | 427,355 |
| Administrative expenses | | <u>(775,770)</u> | <u>(970,376)</u> |
| | | (336,046) | (543,021) |
| Other operating income | | <u>47,498</u> | <u>31,890</u> |
| OPERATING LOSS | 5 | <u>(288,548)</u> | <u>(511,131)</u> |
| Interest receivable and similar income | | <u>2</u> | <u>363</u> |
| | | (288,546) | (510,768) |
| Interest payable and similar expenses | 6 | <u>(1,191)</u> | <u>(46)</u> |
| LOSS BEFORE TAXATION | | (289,737) | (510,814) |
| Tax on loss | 7 | <u>90,689</u> | <u>58,806</u> |
| LOSS FOR THE FINANCIAL YEAR | | <u>(199,048)</u> | <u>(452,008)</u> |

The notes form part of these financial statements

YOKOGAWA RAP LIMITED (REGISTERED NUMBER: 02960461)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

| | Notes | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|--|-------|----------------------------|---|
| LOSS FOR THE YEAR | | (199,048) | (452,008) |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>(199,048)</u> | <u>(452,008)</u> |

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|----------------|------------------|----------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | | 81,059 | | 24,733 |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 793,932 | | 437,202 | |
| Cash at bank and in hand | | <u>25,504</u> | | <u>362,505</u> | |
| | | 819,436 | | 799,707 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 10 | <u>964,859</u> | | <u>689,756</u> | |
| NET CURRENT (LIABILITIES)/ASSETS | | | <u>(145,423)</u> | | <u>109,951</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>(64,364)</u> | | <u>134,684</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 11 | | 103 | | 103 |
| Share premium | 12 | | 5,379 | | 5,379 |
| Retained earnings | 12 | | <u>(69,846)</u> | | <u>129,202</u> |
| SHAREHOLDERS' FUNDS | | | <u>(64,364)</u> | | <u>134,684</u> |

The financial statements were approved by the director and authorised for issue on 24 March 2022 and were signed by:

C I Ramsden - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

| | Called up share capital £ | Retained earnings £ | Share premium £ | Share option reserve £ | Total equity £ |
|----------------------------------|------------------------------------|---------------------------|-----------------------|---------------------------------|----------------------|
| Balance at 1 October 2018 | 100 | 578,699 | - | 2,511 | 581,310 |
| Changes in equity | | | | | |
| Issue of share capital | 3 | - | 5,379 | - | 5,382 |
| Total comprehensive income | - | (449,497) | - | (2,511) | (452,008) |
| Balance at 31 March 2020 | 103 | 129,202 | 5,379 | - | 134,684 |
| Changes in equity | | | | | |
| Total comprehensive income | - | (199,048) | - | - | (199,048) |
| Balance at 31 March 2021 | 103 | (69,846) | 5,379 | - | (64,364) |

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

| | | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|---|-------|----------------------------|---|
| | Notes | | |
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | (559,199) | 4,846 |
| Interest paid | | (365) | (46) |
| Tax paid | | - | (25,578) |
| Net cash from operating activities | | <u>(559,564)</u> | <u>(20,778)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (77,439) | (15,359) |
| Interest received | | 2 | 363 |
| Net cash from investing activities | | <u>(77,437)</u> | <u>(14,996)</u> |
| Cash flows from financing activities | | | |
| New loans in year | | 300,000 | - |
| Amount introduced by directors | | - | 550 |
| Amount withdrawn by directors | | - | (147,077) |
| Share issue | | - | 5,381 |
| Net cash from financing activities | | <u>300,000</u> | <u>(141,146)</u> |
| Decrease in cash and cash equivalents | | <u>(337,001)</u> | <u>(176,920)</u> |
| Cash and cash equivalents at beginning of year | 2 | 362,505 | 539,425 |
| Cash and cash equivalents at end of year | 2 | <u>25,504</u> | <u>362,505</u> |

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|--|----------------------------|---|
| Loss before taxation | (289,737) | (510,814) |
| Depreciation charges | 21,111 | 24,671 |
| Finance costs | 1,191 | 46 |
| Finance income | (2) | (363) |
| | <u>(267,437)</u> | <u>(486,460)</u> |
| (Increase)/decrease in trade and other debtors | (377,744) | 215,845 |
| Increase in trade and other creditors | 85,982 | 275,461 |
| Cash generated from operations | <u><u>(559,199)</u></u> | <u><u>4,846</u></u> |

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2021

| | 31.3.21 £ | 1.4.20 £ |
|---------------------------|---------------|----------------|
| Cash and cash equivalents | <u>25,504</u> | <u>362,505</u> |

Period ended 31 March 2020

| | 31.3.20 £ | 1.10.18 £ |
|---------------------------|----------------|----------------|
| Cash and cash equivalents | <u>362,505</u> | <u>539,425</u> |

3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.4.20 £ | Cash flow £ | At 31.3.21 £ |
|--------------------------|-----------------------|-------------------------|----------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>362,505</u> | <u>(337,001)</u> | <u>25,504</u> |
| | <u>362,505</u> | <u>(337,001)</u> | <u>25,504</u> |
| Total | <u><u>362,505</u></u> | <u><u>(337,001)</u></u> | <u><u>25,504</u></u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. STATUTORY INFORMATION

Yokogawa RAP Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The Company's business activities, together with the factors likely to affect its future performance and development are set out in the Strategic Report. The Company's forecasts and projections, taking account of possible changes in trading performance as a result of the COVID-19 pandemic, low oil prices and the UK leaving the EU, show that the company should be able to operate within the current working capital facility. The Company's financial results are expected to improve in the future as it integrates with the Yokogawa group and utilises the Yokogawa sales channels. The Company is also expected to receive financial support from its parent and the group during this period.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They thus continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Significant judgements and estimates

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

Useful economic lives of tangible assets

The annual depreciation charges for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See following notes for the useful economic lives for each class of assets.

Amounts recoverable on contract

During the year and at the balance sheet date the directors quantify the amounts recoverable on each contract in progress. Cost of work done to date including materials and staff costs is taken into consideration before arriving at a valuation by reference to the stage of completion. The company includes provisions in their valuations for unforeseen costs based on their risk and likelihood of them occurring.

Turnover

Turnover represents net invoiced sales of services provided, excluding value added tax.

Sales of licences and implementation are recognised based on the level of completion of the contract.

Sales of hosting services and support and maintenance services are recognised over the life of the service provided.

Tangible fixed assets

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

| | |
|-----------------------|-------------------------------|
| Plant and machinery | - 20% on cost |
| Fixtures and fittings | - 20% straight line |
| Computer equipment | - 50% on cost and 20% on cost |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Provision for liabilities

Provisions are recognised when the company has a present obligation (legal and constructive) from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Operating lease commitments

Operating lease commitments are recognised as costs in the period in which they relate.

Functional and Presentation Currency

The company's functional and presentation currency is pounds sterling.

Employee Benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued**Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

| | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|--------------------------------|----------------------------|---|
| Implementation & Modifications | 629,129 | 420,243 |
| Annual maintenance | 721,778 | 1,177,989 |
| | <u>1,350,907</u> | <u>1,598,232</u> |

An analysis of turnover by geographical market is given below:

| | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|-------------------|----------------------------|---|
| United Kingdom | 280,163 | 316,460 |
| Europe | 804,622 | 740,301 |
| Rest of the World | 266,122 | 541,471 |
| | <u>1,350,907</u> | <u>1,598,232</u> |

4. EMPLOYEES AND DIRECTORS

| | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|-----------------------|----------------------------|---|
| Wages and salaries | 1,214,917 | 1,320,536 |
| Social security costs | 109,252 | 121,773 |
| Other pension costs | 37,797 | 57,021 |
| | <u>1,361,966</u> | <u>1,499,330</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

| | Year Ended 31.3.21 | Period 1.10.18 to 31.3.20 |
|--------------------------|-----------------------|------------------------------------|
| Management & admin staff | 4 | 4 |
| Direct staff | <u>21</u> | <u>19</u> |
| | <u>25</u> | <u>23</u> |

| | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|--|----------------------------|---|
| Directors' remuneration | - | 16,772 |
| Directors' pension contributions to money purchase schemes | <u>-</u> | <u>27,000</u> |

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

| | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|------------------------------|----------------------------|---|
| Depreciation - owned assets | 21,112 | 24,671 |
| Auditors' remuneration | 6,150 | 6,150 |
| Foreign exchange differences | <u>21,490</u> | <u>(31,890)</u> |

Included within administration expenses in FY20 is a one off provision for a specific customer debt amounting to £292,215.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

| | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|--------------------------|----------------------------|---|
| Loan interest | 1,191 | 13 |
| Corporation tax interest | <u>-</u> | <u>33</u> |
| | <u>1,191</u> | <u>46</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

7. TAXATION**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

| | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|--|----------------------------|---|
| Current tax: | | |
| R&D Deferred Tax Credit | - | (54,270) |
| Over / under provision in prior periods | (24,854) | 682 |
| Losses used for group relief | <u>(65,835)</u> | <u>-</u> |
| Total current tax | <u>(90,689)</u> | <u>(53,588)</u> |
| Deferred tax | - | (5,218) |
| Tax on loss | <u>(90,689)</u> | <u>(58,806)</u> |

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | Year Ended 31.3.21 £ | Period 1.10.18 to 31.3.20 £ |
|--|----------------------------|---|
| Loss before tax | <u>(289,737)</u> | <u>(510,814)</u> |
| Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%) | (55,050) | (97,055) |
| Effects of: | | |
| Income not taxable for tax purposes | 3 | 10,314 |
| Adjustments to tax charge in respect of previous periods | (24,854) | 683 |
| RDEC claim | - | (54,270) |
| Effect of rate changes to deferred tax | (14,377) | - |
| Deferred tax not recognised | <u>3,589</u> | <u>81,522</u> |
| Total tax credit | <u>(90,689)</u> | <u>(58,806)</u> |

The withheld amount of the R&D credit for the year, totalling £9,025, has been used to settle the corporation tax liability of another Company within the Group, Yokogawa RAP Ltd will receive full consideration for this R&D credit.

Taxable losses totalling £346,501 have been transferred to to another company in the group via Group Loss Relief rules, Yokogawa RAP Ltd will receive full consideration for the value of the tax relief provided by these taxable losses.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

8. TANGIBLE FIXED ASSETS

| | Improvements to property £ | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|---------------------------|-------------------------------------|-----------------------------|----------------------------------|----------------------------|-------------|
| COST | | | | | |
| At 1 April 2020 | 3,482 | 9,281 | 32,791 | 32,837 | 78,391 |
| Additions | - | - | 39,903 | 37,536 | 77,439 |
| Reclassification/transfer | (3,482) | (9,281) | 12,762 | - | (1) |
| At 31 March 2021 | - | - | 85,456 | 70,373 | 155,829 |
| DEPRECIATION | | | | | |
| At 1 April 2020 | 1,567 | 7,455 | 24,573 | 20,063 | 53,658 |
| Charge for year | 696 | 1,567 | 12,815 | 6,034 | 21,112 |
| Reclassification/transfer | (2,263) | (9,022) | 11,285 | - | - |
| At 31 March 2021 | - | - | 48,673 | 26,097 | 74,770 |
| NET BOOK VALUE | | | | | |
| At 31 March 2021 | - | - | 36,783 | 44,276 | 81,059 |
| At 31 March 2020 | 1,915 | 1,826 | 8,218 | 12,774 | 24,733 |

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 74,387 | 279,053 |
| Amounts owed by group undertakings | 425,784 | - |
| Other debtors | 46,746 | 880 |
| Tax | 79,124 | 54,270 |
| VAT | 6,721 | 8,032 |
| Accrued income | 120,211 | 94,967 |
| Prepayments | 40,959 | - |
| | <u>793,932</u> | <u>437,202</u> |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 54,687 | 65,749 |
| Amounts owed to group undertakings | 300,825 | - |
| Social security and other taxes | - | 22,865 |
| Other creditors | 13,147 | 7,048 |
| Deferred income | 521,035 | 539,580 |
| Accrued expenses | 75,165 | 54,514 |
| | <u>964,859</u> | <u>689,756</u> |

11. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: Number: | Class: | Nominal value: | 2021 £ | 2020 £ |
|---|------------|-------------------|------------|------------|
| 5,000 | Ordinary A | 1p | 53 | 53 |
| 5,000 | Ordinary B | 1p | 50 | 50 |
| | | | <u>103</u> | <u>103</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

12. RESERVES

| | Retained earnings £ | Share premium £ | Totals £ |
|----------------------|---------------------------|-----------------------|------------------|
| At 1 April 2020 | 129,202 | 5,379 | 134,581 |
| Deficit for the year | <u>(199,048)</u> | | <u>(199,048)</u> |
| At 31 March 2021 | <u>(69,846)</u> | <u>5,379</u> | <u>(64,467)</u> |

13. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

14. ULTIMATE CONTROLLING PARTY

The controlling party is Yokogawa UK Ltd.

The ultimate controlling party is Yokogawa Electric Corporation.

15. SHARE-BASED PAYMENT TRANSACTIONS

All share options previously held were exercised on 05/09/2019, there are no share options held as at 31/03/2021.

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.