

Company registration number 05247486 (England and Wales)

INSTITUTIONAL PROTECTION SERVICES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

INSTITUTIONAL PROTECTION SERVICES LIMITED

COMPANY INFORMATION

Directors	R Leighton C J Goodman W D Eason J S Naughton Sir A C D Yarrow
Secretary	J S Naughton
Company number	05247486
Registered office	1-3 Staple Inn London WC1V 7QH
Auditor	Nexia Smith & Williamson Onslow House Onslow Street Guildford GU1 4TL

INSTITUTIONAL PROTECTION SERVICES LIMITED

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INSTITUTIONAL PROTECTION SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and audited financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of services for major institutional investors including monitoring shareholder actions and financial antitrust cases around the world and providing recovery and advisory services to manage the risk of participation in investor actions.

Results and dividends

The company has made a net loss for the year after taxation of £297,193 (2020: loss £287,775). During the year, the company has not paid any dividends.

Going concern

The Company has made losses in the year which have arisen as a result of a reduction in its contingent fee income stream due to the effect that the pandemic has had on the normal cycle of its operations. The Board is confident that the situation is temporary and will reverse in 2022 and 2023 as the economy returns to some form of normality. Accordingly, the Board has prepared cash flow forecasts and formed 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 annual financial statements.

Directors

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

R Leighton
C J Goodman
W D Eason
J S Naughton
Sir A C D Yarrow

Auditor

In accordance with the company's articles, a resolution proposing that Nexia Smith & Williamson be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

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

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

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

INSTITUTIONAL PROTECTION SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of disclosure to auditor

So far as each of the directors at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

J S Naughton
Director

29 July 2022

INSTITUTIONAL PROTECTION SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INSTITUTIONAL PROTECTION SERVICES LIMITED

Opinion

We have audited the financial statements of Institutional Protection Services Limited (the 'company') for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance sheet, the Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 December 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the 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 our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

INSTITUTIONAL PROTECTION SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INSTITUTIONAL PROTECTION SERVICES LIMITED

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with the framework through:

- Outsourcing accounts preparation, and tax compliance to external experts.
- Subscribing to relevant updates from external experts and making changes to internal procedures and controls as necessary.

INSTITUTIONAL PROTECTION SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INSTITUTIONAL PROTECTION SERVICES LIMITED

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries of management and those charged with governance as to the risks of non-compliance and any instance thereof;
- Obtained written management representations regarding disclosure of any non-compliance with laws and regulations; and
- Review of minutes of meeting of those charged with governance.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

The procedures we carried out to gain evidence in the above areas included:

- Testing the occurrence of revenue, specifically around the balance sheet date;
- Testing journal entries, selected based on specific risk assessments applied based on client processes and controls surrounding manual journals.

A further description of our responsibilities is available 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.

Peter Key
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Onslow House
Onslow Street
Guildford
GU1 4TL

Date: 29 July 2022

INSTITUTIONAL PROTECTION SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover		1,172,707	1,060,130
Cost of sales		-	(2,738)
Gross profit		1,172,707	1,057,392
Administrative expenses		(1,542,323)	(1,414,339)
Other operating income		2,717	-
Operating loss	2	(366,899)	(356,947)
Interest receivable and similar income		573	1,805
Loss before taxation		(366,326)	(355,142)
Tax on loss	5	69,133	67,367
Loss for the financial year		(297,193)	(287,775)

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

INSTITUTIONAL PROTECTION SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021	2020
	Notes	£	£
Fixed assets			
Intangible assets	6	102,494	161,552
Tangible assets	7	47,773	64,476
		<u>150,267</u>	<u>226,028</u>
Current assets			
Debtors falling due after more than one year	8	39,480	-
Debtors falling due within one year	8	460,915	449,857
Cash at bank and in hand		974,750	1,062,507
		<u>1,475,145</u>	<u>1,512,364</u>
Creditors: amounts falling due within one year	9	<u>(247,740)</u>	<u>(91,704)</u>
Net current assets		<u>1,227,405</u>	<u>1,420,660</u>
Total assets less current liabilities		<u>1,377,672</u>	<u>1,646,688</u>
Provisions for liabilities	10	<u>(39,077)</u>	<u>(27,376)</u>
Net assets		<u><u>1,338,595</u></u>	<u><u>1,619,312</u></u>
Capital and reserves			
Called up share capital	13	6,250	6,250
Share premium account		1,029,378	1,029,378
Profit and loss reserves		302,967	583,684
Total equity		<u><u>1,338,595</u></u>	<u><u>1,619,312</u></u>

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

The financial statements were approved by the board of directors and authorised for issue on 29 July 2022 and are signed on its behalf by:

J S Naughton
Director

Company Registration No. 05247486

INSTITUTIONAL PROTECTION SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 January 2020		6,250	1,029,378	961,436	1,997,064
Year ended 31 December 2020:					
Loss and total comprehensive income for the year		-	-	(287,775)	(287,775)
Dividends		-	-	(89,977)	(89,977)
Balance at 31 December 2020		6,250	1,029,378	583,684	1,619,312
Year ended 31 December 2021:					
Loss and total comprehensive income for the year		-	-	(297,193)	(297,193)
Credit to equity for equity settled share-based payments	12	-	-	16,476	16,476
Balance at 31 December 2021		6,250	1,029,378	302,967	1,338,595

INSTITUTIONAL PROTECTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Institutional Protection Services Limited is a private company, limited by shares, incorporated in England and Wales. The registered office is Third Floor, 1-3 Staple Inn, London, WC1V 7QH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 Section 1A "Small Entities" and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The preparation of financial statements in compliance with FRS 102 Section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

The Company has made losses in the year which have arisen as a result of a reduction in its contingent fee income stream due to the effect that the pandemic has had on the normal cycle of its operations. The Board is confident that this situation is temporary and will reverse in 2022 and 2023 as the economy returns to some form of normality. Accordingly, the Board has prepared cash flow forecasts and formed 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 annual financial statements.

1.3 Turnover

Turnover represents the fair value of services provided to clients net of value added tax. Fair value reflects the amount expected to be recoverable from clients. Non-contingent fee services provided to clients during the year which at the year end have not been invoiced to clients are recognised on a straight line basis over the specified period. Where revenue has been invoiced in advance of services provided, the income is included within creditors as deferred income.

Turnover is recognised in respect of contingent fees on confirmation of the amount of award to the company's clients following the outcome of a class action. Until this significant act, the directors do not consider this type of revenue to be either probable or capable of reliable estimation.

1.4 Intangible fixed assets other than goodwill

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be measured reliably. Where development expenditure increases the life of the asset the remaining economic life is reviewed.

Amortisation 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:

Software	5 years straight line
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

INSTITUTIONAL PROTECTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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	20% straight line
Fixtures and fittings	25% reducing balance
Computers	25% reducing balance

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 credited or charged to profit or loss.

Fixed assets do not require replacement parts or the cost of major inspections to be recognised separately.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.7 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

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

INSTITUTIONAL PROTECTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 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. Tax is recognised in the profit and loss account, 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.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.11 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 stock or fixed assets.

No liability is recognised in respect of holiday pay as employees are unable to carry forward holiday into future periods.

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.

1.12 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.

The assets of the scheme are held separately from those of the company in an independently administered fund.

INSTITUTIONAL PROTECTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 Share-based payments

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

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

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

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.15 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 in the period are included in profit or loss.

2 Operating loss

	2021	2020
	£	£
Exchange gains	(2,823)	(379)
Depreciation of owned tangible fixed assets	16,703	23,615
Amortisation of intangible assets	71,924	69,351
Operating lease charges	84,579	74,265
	=====	=====

3 Employees

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

	2021	2020
	Number	Number
Administration	19	19
	=====	=====

INSTITUTIONAL PROTECTION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2021	2020
		£	£
	Wages and salaries	867,916	861,926
	Social security costs	97,031	88,203
	Pension costs	15,761	15,608
		<u>980,708</u>	<u>965,737</u>
		<u><u>980,708</u></u>	<u><u>965,737</u></u>
4	Directors' remuneration and dividends		
		2021	2020
		£	£
	Remuneration paid to directors	268,000	268,000
	Company pension contributions to defined contribution schemes	2,636	2,628
	Equity settled share based payment costs	19,946	-
		<u>290,582</u>	<u>270,628</u>
		<u><u>290,582</u></u>	<u><u>270,628</u></u>
5	Taxation		
		2021	2020
		£	£
	Current tax		
	UK corporation tax on profits for the current period	(62,116)	(63,074)
	Adjustments in respect of prior periods	-	89
	Total current tax	<u>(62,116)</u>	<u>(62,985)</u>
		<u><u>(62,116)</u></u>	<u><u>(62,985)</u></u>
	Deferred tax		
	Origination and reversal of timing differences	(3,174)	(4,382)
	Deferred tax on share-based payments charge	(3,843)	-
	Total deferred tax	<u>(7,017)</u>	<u>(4,382)</u>
		<u><u>(7,017)</u></u>	<u><u>(4,382)</u></u>
	Total tax credit	<u><u>(69,133)</u></u>	<u><u>(67,367)</u></u>

INSTITUTIONAL PROTECTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Loss before taxation	(366,326)	(355,142)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(69,602)	(67,477)
Tax effect of expenses that are not deductible in determining taxable profit	1,184	3,149
Depreciation on assets not qualifying for tax allowances	3,174	4,382
Under/(over) provided in prior years	-	89
Deferred tax	(3,889)	(7,510)
	<u> </u>	<u> </u>
Taxation credit for the year	(69,133)	(67,367)
	<u> </u>	<u> </u>

6 Intangible fixed assets

Software
£

Cost

At 1 January 2021

346,754

Additions

12,866

At 31 December 2021

359,620

Amortisation and impairment

At 1 January 2021

185,202

Amortisation charged for the year

71,924

At 31 December 2021

257,126

Carrying amount

At 31 December 2021

102,494

At 31 December 2020

161,552

INSTITUTIONAL PROTECTION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

7 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2021 and 31 December 2021	14,377	19,586	111,817	145,780
Depreciation and impairment				
At 1 January 2021	12,675	13,695	54,934	81,304
Depreciation charged in the year	1,010	1,473	14,220	16,703
At 31 December 2021	13,685	15,168	69,154	98,007
Carrying amount				
At 31 December 2021	692	4,418	42,663	47,773
At 31 December 2020	1,702	5,891	56,883	64,476

8 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	303,006	241,964
Corporation tax recoverable	62,116	63,074
Other debtors	-	39,480
Prepayments and accrued income	95,793	105,339
	460,915	449,857
Amounts falling due after more than one year:		
Other debtors	39,480	-
Total debtors	500,395	449,857

9 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	27,712	17,457
Taxation and social security	55,748	43,904
Other creditors	134,121	3,845
Accruals and deferred income	30,159	26,498
	247,740	91,704

INSTITUTIONAL PROTECTION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

10 Provisions for liabilities

		2021	2020
		£	£
Dilapidations		30,000	15,125
Deferred tax liabilities	11	9,077	12,251
		<u>39,077</u>	<u>27,376</u>

Movements on provisions apart from deferred tax liabilities:

	Dilapidations
	£
At 1 January 2021	15,125
Additional provisions in the year	14,875
At 31 December 2021	<u>30,000</u>

Provision is made for property lease dilapidations accruing over the life of the lease which ends on 19 January 2026. However, this timing of this cost may be deferred beyond 2026 if the company chooses to renew its lease at the same premises.

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2021	2020
Balances:	£	£
Accelerated capital allowances	9,077	12,251
	<u>9,077</u>	<u>12,251</u>
Movements in the year:		2021
		£
Liability at 1 January 2021		12,251
Credit to profit or loss		(3,174)
Liability at 31 December 2021		<u>9,077</u>

INSTITUTIONAL PROTECTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 January 2021	20,833	20,833	4.80	4.80
Granted	10,000	-	10.00	-
	<u>30,833</u>	<u>20,833</u>	<u>6.49</u>	<u>4.80</u>
Outstanding at 31 December 2021	30,833	20,833	6.49	4.80
	<u>30,833</u>	<u>20,833</u>	<u>6.49</u>	<u>4.80</u>
Exercisable at 31 December 2021	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Share options outstanding at 31 December 2021 had an exercise price ranging from £4.80 to £10 per share, and a remaining contractual life of between 5 and 10 years. Share options can be exercised either on a trade sale of the business, or at 10 years after grant, or at the discretion of the Board.

The company has measured the fair value of options granted using the Black Scholes option pricing model.

Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £20,319 (2020 - £nil) which related to equity settled share based payment transactions.

13 Called up share capital

	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
625,047 Ordinary shares of 1p each	6,250	6,250
	<u>6,250</u>	<u>6,250</u>
	<u>6,250</u>	<u>6,250</u>

14 Operating lease commitments

Lessee

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

	2021 £	2020 £
Total for whole lease	273,728	322,232
	<u>273,728</u>	<u>322,232</u>
	<u>273,728</u>	<u>322,232</u>

15 Related party transactions

There are no related party transactions involving the company, its directors or shareholders which require disclosure in the current or previous financial years.

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.