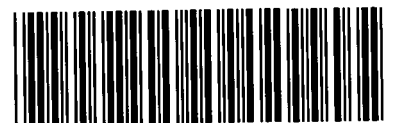


ATIK CAMERAS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2018

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Company no 05948849

ATIK CAMERAS LIMITED

BALANCE SHEET

As at 30 April 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	17,831	20,319
Intangible assets	5	318,754	242,457
		<u>336,585</u>	<u>262,776</u>
Current assets			
Stock	6	250,619	112,201
Debtors	7	1,053,571	1,483,928
Cash at bank and in hand		457,036	438,550
		<u>1,761,226</u>	<u>2,034,679</u>
Creditors: amounts falling due within one year	8	(627,896)	(437,044)
Net current assets		<u>1,133,330</u>	<u>1,597,635</u>
Total assets less current liabilities		1,469,915	1,860,411
Provisions for liabilities	9	(20,536)	(20,536)
Net assets		<u>1,449,379</u>	<u>1,839,875</u>
Capital and reserves			
Called up share capital	10	2	2
Capital contribution reserve		6,301	-
Profit and loss account		<u>1,443,076</u>	<u>1,839,873</u>
Shareholders' funds		<u>1,449,379</u>	<u>1,839,875</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime. The directors' report, and the profit and loss account and related notes have not been delivered to the Registrar of Companies in accordance with the provisions applicable under the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Directors on 6th November, 2018.



J P Abell
Finance Director
Company Number 05948849

The accompanying accounting policies and notes form an integral part of these financial statements.

ATIK CAMERAS LIMITED**STATEMENT OF CHANGES IN EQUITY**

As at 30 April 2018

	Called-up share capital £	Capital contribution reserve £	Profit and loss account £	Total £
At 1 May 2016	2	-	1,325,156	1,321,158
Profit for the year	-	-	518,717	518,717
At 30 April 2017	2	-	1,839,873	1,839,875
Dividends paid	-	-	(1,054,157)	(1,054,157)
Capital contributions	-	6,301	-	6,301
Profit for the year	-	-	657,360	657,360
At 30 April 2018	2	6,301	1,443,076	1,449,379

The accompanying accounting policies and notes form an integral part of these financial statements.

ATIK CAMERAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2018

1 GENERAL INFORMATION

Atik Cameras Limited is a private limited company incorporated and domiciled in England and Wales. The address of the registered office is Beacon House, Nuffield Road, Cambridge, CB4 1TF.

2 AUDIT

The company has taken advantage of the small company provisions to file a Balance Sheet, Statement of Changes in Equity and related notes. The full financial statements and Directors' Report have been subject to audit. The auditor's report was issued on 6 November 2018 by Grant Thornton UK LLP, signed by David Newstead as senior statutory auditor. The auditor's report was unqualified, and did not include a statement under section 498(2) or section 498(3) of the Companies Act 2006. In accordance with the special provisions applicable to companies subject to the small companies regime, the auditor's report is not included for filing.

3 PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements were prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The financial statements are prepared in sterling and are stated to the nearest £.

The Company meets its cash flow and borrowing requirements through loans from other companies within the Group. The Company and Scientific Digital Imaging Plc Group, of which Atik Cameras Limited is a 100% subsidiary, has prepared forecasts for the period to 31 December 2019. These indicate that the Company and Group will continue to trade within existing facilities with scope to further manage its cost base if necessary. The Board are confident that continued focus on research and development, new product development and sales & marketing will deliver growth. The Board are confident that the sales projections and forecasts are realistic in light of recent trading. They consider that the Company and Group will have adequate cash resources within existing facilities to continue to trade for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DISCLOSURE EXEMPTIONS ADOPTED

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- 1 A statement of cash flows and related notes
- 2 the requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the group as they are wholly owned within the group
- 3 Disclosure of key management personnel compensation
- 4 Capital management disclosures
- 5 Presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period
- 6 The effect of future accounting standards not adopted
- 7 Certain share based payment disclosures
- 8 Disclosures in relation to impairment of assets
- 9 Disclosures in relation to IFRS 7 Financial Instruments

ATIK CAMERAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2018

CASH FLOW

The Company is a wholly owned subsidiary of Scientific Digital Imaging plc and the cash flows of the Company are included in the consolidated group cash flow statement of Scientific Digital Imaging plc. Consequently the Company is exempt from the requirement to publish a cash flow statement.

REVENUE RECOGNITION

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. Revenue is recognised at the point where the risks and rewards of ownership change hands. Income from service contracts is spread evenly over the term of the contract.

IFRS15 'Revenue from Contracts with Customers' is effective for accounting periods beginning on or after 1 January 2018 and will replace existing accounting standards. The standard is based on revenue being recognised as and when 'transfer of control' (of the goods and services) occurred, which is a change from the 'risks and rewards' model under the current standard.

The company has reviewed the impact of the standard on our revenue streams from the supply of goods and services and has concluded that there is no material impact. The timing of the recognition of our income under IAS 18 is consistent with those to be adopted under IFRS 15.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Plant and Machinery	33.33%
Office equipment	33.33%

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account over the lease term.

INTANGIBLE ASSETS

Intangible assets are included at cost less amounts written off. Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the economic life of that asset as follows:

Capitalised development costs	3 – 5 years
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STOCKS

Stocks are stated at the lower of cost and net realisable value, using the first in first out method after making allowance for obsolete and slow moving items.

DEBTORS

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

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2018

CASH

Cash is represented by cash in hand deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

CREDITORS

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

TAXATION

Current tax is provided at amounts expected to be paid (or received) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

FOREIGN CURRENCY

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

PENSION SCHEME CONTRIBUTIONS

Defined Contribution Scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

RESEARCH AND DEVELOPMENT

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the following conditions are met:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale;
- The Group intends to complete the intangible asset or sell it;
- The Group has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits. Among other things, this requires

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For the year ended 30 April 2018

that there is a market for the output from the intangible asset or the intangible asset itself, or, if it is to be used internally, the asset will be used for generating such benefits; and

- The expenditure attributable to the intangible asset during its development can be measured reliably.

The expenditure capitalised includes direct costs of material, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development is stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the profit and loss account on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite upon completion of the project. Amortisation is shown within administrative expenses in the income statement. The estimated useful lives of current development projects are between three and five years. Until completion of the project the assets are subject to impairment testing.

SHARE OPTIONS

Scientific Digital Imaging PLC issues share options to group employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense which is written off to the Profit and Loss account over the vesting period of the option. The amount to be expensed is determined by reference to the fair value of the options at the grant date.

EQUITY

Equity comprises the following:

- "Called up share capital" represents the nominal value of equity shares
- "Capital contribution reserve" represents a contribution from the parent entity in relation to equity-settled share-based employee remuneration, where the share options are issued and settled by the parent entity.
- "Profit and loss account" represents all current and prior period retained earnings.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial information in conformity with FRS 101 requires the directors to make critical accounting estimates and judgements that affect the application of policies and reported amount of assets and liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information is available.

Critical judgements in applying the company's accounting policies.

Assessing whether development costs meet the criteria for capitalisation

The point at which development costs meet the criteria for capitalisation is critically dependent on management's judgement of the point at which technical feasibility is demonstrable.

The carrying value of development assets also depends on management's ability to demonstrate the future economic benefits they will deliver. This judgement requires assumptions about factors outside the business's control such as medium term economic conditions, technological developments and market changes. The Company tests annually whether the capitalised development costs have been impaired by reference to expected future generation of cash from the technologies developed and the timing of when these will be released.

Details of capitalised development costs are detailed in Note 6.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2018

Assessing whether revenue meets the criteria for recognition

Contracts can include both the sale of licences and provision of services. Revenue is recognised based on the analysis of individual contracts and the point at which significant risks and rewards of ownership transfer is dependent on the contractual term. In respect of a licence, this would usually be on delivery of the software.

Fair value measurement

Management uses valuation techniques to determine fair value measurements which involves developing estimates and assumptions which may vary from actual values that would be achieved in an arm's length transaction at the reporting date.

3 DIRECTORS AND EMPLOYEES

The average number of employees of the group during the year was:

	2018 Number	2017 Number
Administration	9	9

4 TANGIBLE FIXED ASSETS

	Office equipment £	Plant & Machinery £	Total £
Cost			
At 1 May 2017	52,986	69,747	122,733
Additions	12,552	149	12,701
At 30 April 2018	65,538	69,896	135,434
Depreciation			
At 1 May 2017	47,696	54,718	102,414
Charge for year	6,462	8,727	15,189
At 30 April 2018	54,158	63,445	117,603
Net book value			
At 30 April 2018	11,380	6,451	17,831
At 30 April 2017	5,290	15,029	20,319

ATIK CAMERAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2018

5 INTANGIBLE ASSETS

	Development costs £
Cost	
At 1 May 2017	453,677
Additions	161,502
Disposals	-
At 30 April 2018	<u>615,179</u>
Amortisation	
At 1 May 2017	211,220
Charge for the year	85,205
Disposals	-
At 30 April 2018	<u>296,425</u>
Net book value at 30 April 2018	<u>318,754</u>
Net book value at 30 April 2017	<u>242,457</u>

6 STOCKS

	2018 £	2017 £
Finished goods	<u>250,619</u>	<u>112,201</u>

There is no material difference between the replacement cost of inventory and the amounts stated above.

In the year ended 30 April 2018 a total of £1,138,000 (2017: £1,032,000) of inventories were consumed and charged to the income statement as an expense.

7 DEBTORS

	2018 £	2017 £
Trade debtors	120,578	206,068
Amounts owed by group undertakings	920,537	1,273,728
Prepayments and accrued income	<u>12,456</u>	<u>4,132</u>
	<u>1,053,571</u>	<u>1,483,928</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2018

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	63,147	87,616
Amounts owed to group undertakings	187,214	150,570
Social security and other taxes	10,150	42,106
Other creditors	6,264	2,170
Finance leases	-	-
Corporation tax	87,450	51,000
Accruals and deferred income	273,671	103,582
	<u>627,896</u>	<u>437,044</u>

9 DEFERRED TAXATION

Deferred taxation provided for in the financial statements within note 4 is set out below:

	2018 £	2017 £
Deferred tax creditor brought forward	(20,536)	(20,536)
Created during the year	-	-
Deferred tax carried forward	<u>(20,536)</u>	<u>(20,536)</u>

	2018 £	2017 £
Timing difference on fixed assets	(20,536)	(20,536)
Tax losses	-	-
Deferred tax carried forward	<u>(20,536)</u>	<u>(20,536)</u>

10 SHARE CAPITAL

	2018 £	2017 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

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For the year ended 30 April 2018

11 OPERATING LEASE COMMITMENTS

At 30 April 2018 the company's future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	Land and	Land and
	Buildings	Buildings
	£	£
Amounts payable in:		
Less than one year	36,000	27,850
Between one and five years	<u>36,000</u>	<u>55,700</u>

12 RELATED PARTY TRANSACTIONS

Employee remuneration for services provided by T Chambers, a related party to a Director of the company, amounted to £6,483 (2017,: £7,570).

Employee remuneration for services provided by J Payne, a related party to a Director of the company, amounted to £14,969 (2017,: £15,032).

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Those transactions with directors are disclosed in note 3. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

13 PARENT UNDERTAKING AND CONTROL

100% of the issued share capital of Atik Cameras Limited is owned by Scientific Digital Imaging Plc, a company incorporated in England and Wales, listed on the AIM market of the London Stock Exchange. Group accounts are available from www.scientificdigitalimaging.com