

Ingenia Technology (U.K.) Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 05964968

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Ingenia Technology (U.K.) Limited

Company Information

Directors	R P Cowburn C R Gibbin R M Pilkington A Rehman
Registered number	05964968
Registered office	4th Floor 13 Berkeley Street London W1J 8DU
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Ingenia Technology (U.K.) Limited

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Ingenia Technology (U.K.) Limited

Directors' Report for the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company during the period was to carry on the business of marketing Laser Surface Authentication technology which is used for the verification of papers, plastics and metals, as used in documents, ID cards and product packaging.

Directors

The directors who served during the year were:

R P Cowburn
C R Gibbin
P D Holmes (resigned 21 November 2016)
R M Pilkington
A Rehman

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 to 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.

Ingenia Technology (U.K.) Limited

Directors' Report (continued) for the Year Ended 31 December 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
A Rehman
Director

Date: 29/09/2017

Ingenia Technology (U.K.) Limited

Independent Auditor's Report to the Members of Ingenia Technology (U.K.) Limited

We have audited the financial statements of Ingenia Technology (U.K.) Limited for the year ended 31 December 2016, which comprise the statement of comprehensive income, the statement of financial position and the related notes. 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).

This report is made solely to the company's member, 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 Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of director's responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements :

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Opinion 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 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.

Ingenia Technology (U.K.) Limited

Independent Auditor's Report to the Members of Ingenia Technology (U.K.) Limited (continued)

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 yet identified material misstatements in the directors' report.

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 yet 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 and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Stuart Barnsdall (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

29/9/2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Ingenia Technology (U.K.) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Administrative expenses		(458,410)	(163,314)
Research and development write off		(27,867)	(31,194)
Operating loss	4	(486,277)	(194,508)
Interest receivable and similar income		45	45
Loss before tax		(486,232)	(194,463)
Tax on loss on ordinary activities	6	34,196	265,032
(Loss)/profit for the year		(452,036)	70,569

The notes on pages 8 to 13 form part of these financial statements.

Ingenia Technology (U.K.) Limited

Registered number: 05964968

Statement of Financial Position as at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	8	42,145	275,451
Cash at bank and in hand		50,590	206,104
		<u>92,735</u>	<u>481,555</u>
Creditors: amounts falling due within one year	9	(10,311,291)	(10,248,075)
Net current liabilities		<u>(10,218,556)</u>	<u>(9,766,520)</u>
Net liabilities		<u>(10,218,556)</u>	<u>(9,766,520)</u>
Capital and reserves			
Called up share capital	10	1	1
Accumulated losses	11	(10,218,557)	(9,766,521)
		<u>(10,218,556)</u>	<u>(9,766,520)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A Rehman
Director

Date: 29/09/2017

The notes on pages 8 to 13 form part of these financial statements.

Ingenia Technology (U.K.) Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

	Called up share capital	Accumulated losses	Total equity
	£	£	£
At 1 January 2016	1	(9,766,521)	(9,766,520)
Comprehensive income for the year			
Loss for the year	-	(452,036)	(452,036)
Total comprehensive income for the year	-	(452,036)	(452,036)
At 31 December 2016	1	(10,218,557)	(10,218,556)

Statement of Changes in Equity for the Year Ended 31 December 2015

	Called up share capital	Accumulated losses	Total equity
	£	£	£
At 1 January 2015	1	(9,837,090)	(9,837,089)
Comprehensive income for the year			
Profit for the year	-	70,569	70,569
Total comprehensive income for the year	-	70,569	70,569
At 31 December 2015	1	(9,766,521)	(9,766,520)

The notes on pages 8 to 13 form part of these financial statements.

Ingenia Technology (U.K.) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1. General information

Ingenia Technology (U.K) Limited, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the company information page and the nature of the company's operations and its principal activities are set out in the directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 14.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

Going concern

The company has net liabilities of £10,218,556 and the ability of the company to continue as a going concern is dependant on the continuing financial support of its ultimate controlling party, Autofam Establishment, an anstalt registered in Liechtenstein.

The directors have received written indications from Autofam Establishment that continued funding will be available to finance the company's working capital requirements for the foreseeable future, being a period of not less than twelve months from the date of approval of the financial statements. Although there is no legal obligation for Autofam Establishment to provide this continued support, the directors are confident that such funding will be forthcoming.

Having considered the written indications received from Autofam Establishments and the forecast cash flows for the company for the period to 30 September 2017, the directors have concluded that it is appropriate to adopt the going concern basis in preparing these financial statements.

2.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimate residual value, over their expected useful lives on the following bases:

Plant & machinery	- 5 years
Fixtures & fittings	- 2 - 10 years
Computer equipment	- 3 years

Ingenia Technology (U.K.) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

2. Accounting policies (continued)

2.3 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all the timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2.4 Debtors

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

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Creditors

Short term creditors are measured at the transaction price.

2.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the statement of financial position date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

2.8 Research and development

Research and development expenditure is written off in the year in which it is incurred.

2.9 Grants received

Grants received are credited to the profit and loss account as the related expenditure is incurred.

Ingenia Technology (U.K.) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

4. Operating loss

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

	2016 £	2015 £
Audit of the financial statements	7,350	7,000
Exchange differences	252,377	(56,765)

During the year, no director received any emoluments (2015 - £Nil).

5. Employees

The average monthly number of salaried employees, including the directors, during the year was as follows:

2016 No.	Restated 2015 No.
1	1

Consultancy fees of £20,000 (2015 - £20,000) are paid to directors for work performed.

Ingenia Technology (U.K.) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

6. Taxation

The company has tax losses amounting to £8,012,855 (2015 - £7,517,511) available for offset against future taxable profits. As a result, future tax payments will be reduced until these losses have been utilised.

The company has a potential deferred tax asset of £1,371,480 (2015 - £1,364,633) representing tax losses available to offset against future profit from the same trade. This potential asset has not been recognised in these financial statements because there is insufficient certainty as to the incidence and timing of future taxable profits against which the losses might be offset.

In 2016 the company received tax credits in relation to its research and development expenditure in 2015 totalling £34,196 (2015 - £265,032).

	2016 £	2015 £
Analysis of tax credit in the year.		
Tax credit in relation to R&D	(34,196)	(265,032)
Total current tax	(34,196)	(265,032)

7. Tangible fixed assets

	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2016	91,332	78,667	32,484	202,483
At 31 December 2016	91,332	78,667	32,484	202,483
Depreciation				
At 1 January 2016	91,332	78,667	32,484	202,483
At 31 December 2016	91,332	78,667	32,484	202,483
Net book value				
At 31 December 2016	-	-	-	-
At 31 December 2015	-	-	-	-

Ingenia Technology (U.K.) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

8. Debtors

	2016 £	2015 £
Other debtors	41,098	269,526
Prepayments and accrued income	1,047	5,925
	<u>42,145</u>	<u>275,451</u>

9. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	73,831	26,991
Amounts owed to group undertakings	6,139,887	6,324,306
Other creditors	4,085,433	3,873,380
Accruals and deferred income	12,140	23,398
	<u>10,311,291</u>	<u>10,248,075</u>

10. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

11. Reserves

Accumulated losses

Accumulated losses represents cumulative profits or losses, net of dividends paid and other adjustments.

Ingenia Technology (U.K.) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

12. Related party transactions

Ingenia Technology (UK) Limited (ITL-UK) is related to Ingenia Holdings Limited (IHL), incorporated in the British Virgin Islands (BVI), by virtue of the fact that IHL is the sole shareholder of ITL-UK. During the year, ITL-UK paid expenses amounting to £225,636 (2015 - £150,897) on behalf of IHL. A balance of £5,787,144 (2015 - £6,012,780) was due from ITL-UK to IHL at 31 December 2016, and this amount is included within amounts owed to group undertakings falling due within one year.

ITL-UK is related to Palomara Limited (PL), a company incorporated in the British Virgin Islands, by virtue of common control. During the year PL provided loans to ITL-UK amounting to £Nil (2015 - £Nil). Furthermore, services charged £Nil (2015 - £Nil) for management fees. After taking into account exchange losses of £212,053 (2015 - gains of £45,400), a balance of £4,085,433 (2015 - £3,873,380) was due from ITL-UK to PL at 31 December 2016. This amount has been recognised within other creditors due within one year.

ITL-UK is related to Hitech FZE, a company incorporated in United Arab Emirates, by virtue of common control. After taking into account exchange losses of £41,217 (2015 - gains of £13,361), a balance of £352,743 (2015 - £311,526) was due from ITL-UK to Hitech FZE at 31 December 2016, and this amount has been recognised within amounts owed to group undertakings due within one year.

ITL-UK is related to Viridis Real Estate Services Limited, a company incorporated in the United Kingdom, by virtue of common control. A balance of £Nil (2015 - £Nil) was due from ITL-UK at 31 December 2016, and this amount has been recognised within Trade Creditors, amounts falling due within one year.

13. Controlling party

The immediate parent company is Ingenia Holdings Limited which is incorporated in the British Virgin Islands. The directors consider the ultimate parent and controlling party to be Autofam Establishment, an anstalt registered in Liechtenstein.

14. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.