

Registered number: 06195781

IDEMIA IDENTITY & SECURITY UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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IDEMIA IDENTITY & SECURITY UK LIMITED

COMPANY INFORMATION

Directors	H G Mallet T A Pidgeon A F Cadieux
Registered number	06195781
Registered office	255 Wharfedale Road Winnersh Triangle Wokingham Berkshire RG41 5TP
Independent auditor	Mazars LLP Chartered Accountants and Statutory Auditor 2 Chamberlain Square Birmingham B3 3AX

IDEMIA IDENTITY & SECURITY UK LIMITED

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IDEMIA IDENTITY & SECURITY UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their Strategic Report for Idemia Identity & Security UK Limited ("the company") for the year ended 31 December 2021.

Business review

Revenue for the year is lower than 2020 by approximately £348K. The business is based on projects, along with maintenance following completion of the projects. The implementation stages of the projects impact the revenue for the year. The revenue has stabilised in the last few years as the projects have settled. The directors are continuing to review UK strategy and resources to deliver growth.

COVID-19

The company has taken measures to contain and protect the employees. They deployed home office working where possible. For the factories and service centres, measures were implemented, such as, temperature checking, masks and changes in the team work. The companies' customers were not impacted as all services were delivered as normal. Costs in some areas decreased due to COVID-19, such as Travel and Entertainment and have remained low. Cash flow remained acceptable.

Principal risks and uncertainties

The company is reliant on certain major contracts, which are all based in the UK. The renewal of these contracts are uncertain and are based on performance criteria. The directors do not consider that the UK's exit from the EU has had any significant impact on these contracts. The directors do not consider that the business faces any principal risk and uncertainties and works closely with the immediate parent company, Idemia Identity & Security France, to ensure that all risks facing the business are adequately monitored and managed.

Financial key performance indicators

(Decline)/Growth in sales:

2021: £-348K, -5.0% (2020: £-278K, -3.8%).

Gross Profit increase/(decrease):

2021: £-1,404K, -68.1% (2020: £1,075K, 109%).

Please refer to the commentary above on business performance during the year.

Financial position at reporting date

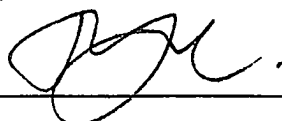
The statement of financial position shows that the net carrying value of the company's net assets at the year end was £1,084,324 (2020: £1,883,965).

Future developments/outlook

The company will continue to work closely with IDEMIA I&S to further enhance and expand its service offerings in the UK.

This report was approved by the board on 22.09.2022 and signed on its behalf.

T A Pidgeon
Director



IDEMIA IDENTITY & SECURITY UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Principal activity

The principal activity of the company during the year continued to be that of supply and service of high-tech biometric identity systems to UK customers.

Results and dividends

The profit for the year, after taxation, amounted to £200,359 (2020 - £1,090,070).

The directors proposed and paid a dividend for 2021 of £1,000,000 (2020 - £280,000).

Going Concern

The company has cash resources and has no requirement for external funding. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

IDEMIA IDENTITY & SECURITY UK LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors

The directors who served during the year were:

H G Mallet
T A Pidgeon
A F Cadieux

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.


Matters covered in the strategic report

As permitted by paragraph 1a of schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on Page 1. These matters relate to the business review, principal risks and uncertainties and financial key performance indicators.

Auditor

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

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


T A Pidgeon
Director

Date: 22.09.2022

IDEMIA IDENTITY & SECURITY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IDEMIA IDENTITY & SECURITY UK LIMITED

Opinion

We have audited the financial statements of Idemia Identity & Security UK Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Analysis of Net Debt and 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 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. 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 directors' 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 Strategic Report and Directors Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual 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.

IDEMIA IDENTITY & SECURITY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IDEMIA IDENTITY & SECURITY UK LIMITED

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 that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In 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 directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

IDEMIA IDENTITY & SECURITY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IDEMIA IDENTITY & SECURITY UK LIMITED

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 the financial statements.

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

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-bribery, corruption and fraud, money laundering and non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

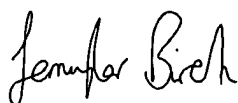
IDEMIA IDENTITY & SECURITY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IDEMIA IDENTITY & SECURITY UK LIMITED

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 auditor's report.

Use of the audit 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.



Jennifer Birch (senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2 Chamberlain Square
Birmingham
B3 3AX

Date: 22 September 2022

IDEMIA IDENTITY & SECURITY UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	6,595,212	6,943,444
Cost of sales		(5,938,392)	(4,882,389)
Gross profit		656,820	2,061,055
Administrative expenses		(481,011)	(763,111)
Operating profit	5	175,809	1,297,944
Interest receivable and similar income	9	68,707	16,707
Profit before tax		244,516	1,314,651
Tax on profit	10	(44,157)	(224,581)
Profit for the year		200,359	1,090,070
Other comprehensive income:			
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		-	-

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 13 to 24 form part of these financial statements.

IDEMIA IDENTITY & SECURITY UK LIMITED
REGISTERED NUMBER: 06195781

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Tangible assets	12	5,379	15,397
Current assets			
Debtors: amounts falling due within one year	13	1,032,708	1,981,906
Cash at bank and in hand	14	3,575,459	1,641,851
		<u>4,608,167</u>	<u>3,623,757</u>
Creditors: amounts falling due within one year	15	(3,379,584)	(1,605,551)
Net current assets		<u>1,228,583</u>	<u>2,018,206</u>
Total assets less current liabilities		<u>1,233,962</u>	<u>2,033,603</u>
Provisions for liabilities			
Other provisions		(149,638)	(149,638)
Net assets		<u><u>1,084,324</u></u>	<u><u>1,883,965</u></u>
Capital and reserves			
Called up share capital	18	500,000	500,000
Retained earnings	19	584,324	1,383,965
		<u><u>1,084,324</u></u>	<u><u>1,883,965</u></u>

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

T A Pidgeon
Director



Date: 22.09.2022

The notes on pages 13 to 24 form part of these financial statements.

IDEMIA IDENTITY & SECURITY UK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	500,000	573,895	1,073,895
Profit for the year	-	1,090,070	1,090,070
Total comprehensive income for the year	-	1,090,070	1,090,070
Dividends: Equity capital	-	(280,000)	(280,000)
At 1 January 2021	500,000	1,383,965	1,883,965
Profit for the year	-	200,359	200,359
Total comprehensive income for the year	-	200,359	200,359
Dividends: Equity capital	-	(1,000,000)	(1,000,000)
At 31 December 2021	500,000	584,324	1,084,324

The notes on pages 13 to 24 form part of these financial statements.

IDEMIA IDENTITY & SECURITY UK LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	200,359	1,090,070
Adjustments for:		
Depreciation of tangible assets	10,018	12,028
Interest received	(68,707)	(16,707)
Taxation charge	44,157	224,581
Decrease in debtors	907,276	56,005
Increase/(decrease) in creditors	1,998,771	(759,847)
Corporation tax (paid)/received	(226,973)	-
Net cash generated from operating activities	2,864,901	606,130
Cash flows from investing activities		
Interest received	68,707	16,707
Net cash from investing activities	68,707	16,707
Cash flows from financing activities		
Dividends paid	(1,000,000)	(280,000)
Net cash used in financing activities	(1,000,000)	(280,000)
Net increase in cash and cash equivalents	1,933,608	342,837
Cash and cash equivalents at beginning of year	1,641,851	1,299,014
Cash and cash equivalents at the end of year	3,575,459	1,641,851
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,575,459	1,641,851
	3,575,459	1,641,851

The notes on pages 13 to 24 form part of these financial statements.

IDEMIA IDENTITY & SECURITY UK LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	1,641,851	1,933,608	3,575,459
	<u>1,641,851</u>	<u>1,933,608</u>	<u>3,575,459</u>

The notes on pages 13 to 24 form part of these financial statements.

IDEMIA IDENTITY & SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Company information

The company is a private limited company (registration number 06195781), which is incorporated in England and Wales. The address of the registered office is 255 Wharfedale Road, Winnersh Triangle, Wokingham, Berkshire, RG41 5TP. The principal activity is disclosed 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

The company has cash resources and has no requirement for external funding. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

IDEMIA IDENTITY & SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 33.3% straight line
Office equipment	- 33.3% straight line
Computer equipment	- 33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

The carrying value of tangible fixed assets is reviewed for impairment when events or circumstances indicate the carrying value may not be recoverable.

2.5 Impairment of assets

At each reporting date, the company reviews the carrying value of its intangible assets, property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such loss exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

IDEMIA IDENTITY & SECURITY UK LIMITED

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

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

A provision for trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of total comprehensive income.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with Oberthur Technologies SA repayable without penalty on notice. Deposits with Oberthur Technologies SA are deemed to be cash and cash equivalent as it can be readily converted into cash.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Financial assets are measured at amortised cost and comprise of trade debtors, amounts owed by group undertaking, other debtors and cash balances.

Financial liabilities are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method and comprises of trade creditors, other creditors and amounts owed to group undertakings.

2.10 Creditors

Short term creditors are measured at the transaction price.

IDEMIA IDENTITY & SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP as this is the currency in which the company operates.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.14 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Asset retirement obligations are capitalised as part of the cost of the asset in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

IDEMIA IDENTITY & SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

The application of the company's accounting policies requires the directors to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and of income and expense. These estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making judgments about the net book amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision only affects that year, or in the year of revision and future years if the revision affects both current and future years.

3.1 Critical judgements in applying the accounting policies

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

3.2 Key sources of estimation uncertainty

There are no key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Accrued revenue is calculated on an estimated percentage completion based on specific milestones.

IDEMIA IDENTITY & SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Services and maintenance	5,739,505	5,614,845
Intercompany services	855,707	1,328,599
	<u>6,595,212</u>	<u>6,943,444</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	5,739,505	5,641,150
Rest of Europe	855,707	1,302,294
	<u>6,595,212</u>	<u>6,943,444</u>

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	10,018	12,028
Exchange differences	-	(260)
Operating lease rentals	149,328	149,328
Defined contribution pension cost	130,698	181,099
	<u></u>	<u></u>

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>12,800</u>	<u>13,000</u>

IDEMIA IDENTITY & SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	1,525,488	1,806,631
Social security costs	194,504	231,141
Cost of defined contribution scheme	130,698	181,099
	<u>1,850,690</u>	<u>2,218,871</u>

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

	2021 No.	2020 No.
Sales	4	7
Administration	14	16
	<u>18</u>	<u>23</u>

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	133,953	143,568
Company contributions to defined contribution pension scheme	10,235	11,182
	<u>144,188</u>	<u>154,750</u>

The highest paid director received remuneration of £144,187 (2020 - £128,360). The key management personnel of the company are considered to be the directors, whose remuneration is given above.

9. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>68,707</u>	<u>16,707</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profit/(losses) for the year	45,226	224,738
Adjustments in respect of previous periods	1,690	-
	<u>46,916</u>	<u>224,738</u>
Total current tax	<u>46,916</u>	<u>224,738</u>
Deferred tax		
Origination and reversal of timing differences	(2,759)	(157)
Total deferred tax	<u>(2,759)</u>	<u>(157)</u>
Taxation on profit on ordinary activities	<u>44,157</u>	<u>224,581</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>244,516</u>	<u>1,314,651</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	46,458	249,784
Effects of:		
Expenses not deductible for tax purposes	115	188
Unrecognised tax losses/(utilisation) of previously unrecognised tax losses	566	(20,976)
Adjustments to tax charge in respect of prior periods	(2,982)	(4,415)
Total tax charge for the year	<u>44,157</u>	<u>224,581</u>

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

11. Dividends

	2021 £	2020 £
Dividends paid on ordinary shares	1,000,000	280,000
	<u>1,000,000</u>	<u>280,000</u>

12. Tangible fixed assets

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2021	334,989	60,974	63,295	459,258
At 31 December 2021	<u>334,989</u>	<u>60,974</u>	<u>63,295</u>	<u>459,258</u>
Depreciation				
At 1 January 2021	334,989	60,974	47,898	443,861
Charge for the year on owned assets	-	-	10,018	10,018
At 31 December 2021	<u>334,989</u>	<u>60,974</u>	<u>57,916</u>	<u>453,879</u>
Net book value				
At 31 December 2021	<u>-</u>	<u>-</u>	<u>5,379</u>	<u>5,379</u>
At 31 December 2020	<u>-</u>	<u>-</u>	<u>15,397</u>	<u>15,397</u>

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13. Debtors: Amounts falling due within one year

	2021 £	2020 £
Trade debtors	286,380	836,920
Amounts owed by group companies	153,622	175,802
Prepayments and accrued income	252,918	952,474
Deferred taxation	19,469	16,710
Tax recoverable	320,319	-
	<u>1,032,708</u>	<u>1,981,906</u>

The amounts owed by group undertakings are interest free, unsecured and repayable on demand.

14. Cash and cash equivalents

	2021 £	2020 £
Bank current account	-	967
Amounts under group treasury arrangement	3,575,459	1,640,884
	<u>3,575,459</u>	<u>1,641,851</u>

Deposits with Idemia France SAS are deemed to be cash and cash equivalents as they can be readily converted into cash.

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	29,263	64,109
Amounts owed to group undertakings	2,846,530	151,340
Corporation tax	-	224,738
Taxation and social security	318,398	650,360
Accruals and deferred income	185,393	515,004
	<u>3,379,584</u>	<u>1,605,551</u>

The amounts owed to group undertakings are interest free, unsecured and repayable on demand.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Deferred taxation

	2021 £	2020 £
At beginning of year	16,710	16,553
Charged to profit or loss	2,759	157
At end of year	19,469	16,710

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	19,469	16,710
	19,469	16,710

17. Provisions

	Other provisions £
At 1 January 2021	149,638
At 31 December 2021	149,638

The dilapidation provision relates to restoring/repairing the buildings held under operating leases at the end of the lease term.

18. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
500,000 (2020 - 500,000) Ordinary shares of £1.00 each	500,000	500,000

19. Reserves

Reserves comprises of retained earnings which represent the accumulated profits and losses of the entity.

IDEMIA IDENTITY & SECURITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately to those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £130,698 (2020 - £181,099) contributions totalling £nil (2020 - £nil) were payable to the fund at the balance sheet date.

21. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	149,328	149,328
Later than 1 year and not later than 5 years	132,213	273,768
Total	281,541	423,096

22. Related party transactions

The company has taken advantage of the exemption available under FRS 102, Section 33 "Related party disclosures" and has not disclosed transactions with the companies that are wholly owned by the ultimate parent company.

23. Controlling party

At 31 December 2021, the company was a 100% owned subsidiary of Idemia Identity & Security France, a company incorporated in France.

The accounts of Idemia Identity & Security France are available at 2, Place Samuel de Champlain, 92400 Courbevoie, France

The most senior parent entity producing publicly available financial statements is Oberthur Technologies Holdings SAS. These financial statements are available from 420 rue d'Estinne d'Orves, CS40008, F.92 705 Colombes, Paris, France.