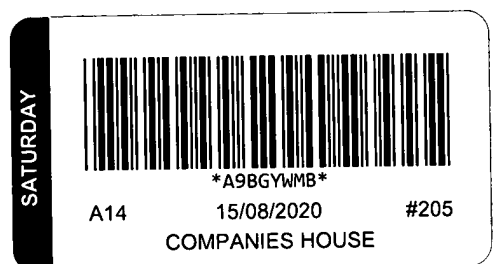


COMPANY NO: 07824805

**FRONTIER MICROSYSTEMS LIMITED**

**Annual Report and Accounts  
For the Year Ended 31 December 2019**



# Frontier Microsystems Limited

Registered No: 07824805

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## **DIRECTORS**

R Archer (appointed 24 October 2019)  
S Cole (appointed 24 October 2019)  
A Sethill (resigned 24 October 2019)  
J Apps (resigned 24 October 2019)

## **SECRETARY**

S Cole (appointed 24 October 2019)  
J Apps (resigned 24 October 2019)

## **AUDITORS**

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2A 1AG

## **BANKERS**

Natwest Plc  
10 St Peter's Street  
St Albans  
Hertfordshire  
AL1 3LY

## **REGISTERED OFFICE**

Harston Mill  
Royston Road  
Harston  
Cambridge  
CB22 7GG

# Frontier Microsystems Limited

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## **DIRECTORS' REPORT**

The Directors present their report and the financial statements for the year ended 31 December 2019. During 2019 the ownership of the Frontier Group changed. Frontier Microsystems Limited is now a 100% subsidiary of Science Group plc, the transaction was completed on 11 October 2019.

## **PRINCIPAL ACTIVITY**

The principal activities of the Company during the year was the holding of patents and IP for use by other Group companies.

## **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £nil (2018: £6,000). The Directors do not recommend the payment of a dividend (2018: £nil).

## **DIRECTORS**

The Directors who served during the year are:

R Archer (appointed 24 October 2019)

S Cole (appointed 24 October 2019)

A Sethill (resigned 24 October 2019)

J Apps (resigned 24 October 2019)

## **GOING CONCERN**

The Company is a subsidiary of Science Group Plc. The Directors of Science Group Plc have considered the forecasts of that Company together with all of its subsidiaries (together "the Group") in order to form a view on the going concern position of the Group.

The Board are satisfied that whilst there are risk factors associated with any set of forecasts, due care has been exercised in preparing them. The Board notes that it continues to monitor its product development strategy and that, if a decision was made to enhance the development expenditure or to accelerate the timing of planned development, additional funding may be required.

The Directors note that Science Group Plc has agreed to continue to provide support to the Company for at least 12 months subsequent to the signing of these accounts and that therefore it is appropriate to prepare these accounts on a going concern basis.

Management have considered the potential impact of covid19 and do not consider it to affect the company's ability to continue as a going concern.

## **Directors' responsibilities statement**

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, including FRS 101 'Reduced Disclosure Framework'). 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 and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

# Frontier Microsystems Limited

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- 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## POST BALANCE SHEET EVENTS

There have been no events since 31 December 2019 which require adjustment or disclosure in the Annual Accounts.

We are exposed to risks related to the recent outbreak of the Corona virus. Governments in affected countries are imposing travel bans, quarantines, lockdown and other public safety measures. Those measures, though temporary in nature may continue and increase depending on the development of the virus outbreak.

We are monitoring closely the development of the situation and anticipating all actions to ensure the business continuity and mitigate the risks on our operations. In the meantime, we also focus on the safety and the wellbeing of our people. All employees have been working from home for several months and this has proven to be very efficient.

The ultimate severity of the corona virus impact is uncertain at this time and therefore we cannot predict the impact it may have on our end markets and operations in 2020 and beyond.

Our cash forecast shows that there might be some decrease in turnover and consequently in cash entry during the coming months. This potential shortage of cash has already been covered at the group level by extending credit lines with the banks and receiving loans from shareholders.

## 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. The directors have taken exemption under this regime not to disclose the strategic report.

## REAPPOINTMENT OF AUDITORS

The auditors Grant Thornton UK LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the board 11 August 2020.



R Archer  
Director

## Independent auditor's report to the members of Frontier Microsystems Limited

### Opinion

We have audited the financial statements of Frontier Microsystems Limited (the 'company') for the year ended 31 December 2019, which comprise statement of comprehensive income, statement of financial position, statement of changes in equity 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 2019 and of its result 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.

### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from Brexit, and analysed how those risks might affect the company's financial resources or

# Frontier Microsystems Limited

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ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

## Matters on which we are required to report by exception

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.
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

# Frontier Microsystems Limited

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## Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 3 and 4, 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.

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](http://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.



Paul Naylor

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

11 August 2020

# Frontier Microsystems Limited

Registered No: 07824805

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## STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2019

	<i>Notes</i>	<i>2019</i> <i>£'000</i>	<i>2018</i> <i>£'000</i>
<b>TURNOVER</b>		-	-
Cost of sales		-	-
<b>GROSS PROFIT</b>		-	-
Other operating charges		-	6
<b>OPERATING PROFIT</b>	<b>2</b>	-	6
Interest paid		-	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	6
Tax on ordinary activities	<b>4</b>	-	-
<b>RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION/ TOTAL COMPREHENSIVE PROFIT</b>		-	6

There are no recognised gains and losses other than those passing through the statement of comprehensive income.

# Frontier Microsystems Limited


Registered No: 07824805

## STATEMENT OF FINANCIAL POSITION at 31 December 2019

	Notes	2019 £'000	2018 £'000
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		-	23
		-	23
<b>CREDITORS: amounts falling due within one year</b>	5	(975)	(998)
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>		(975)	(975)
<b>TOTAL ASSETS LESS CURRENT (LIABILITIES)/ ASSETS</b>		(975)	(975)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	200	200
Share premium account	7	19,800	19,800
Capital contribution	7	235	235
Profit and loss account	7	(21,210)	(21,210)
<b>EQUITY SHAREHOLDERS' FUNDS</b>		(975)	(975)

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

The financial statements were approved and authorised for issue by the Directors and were signed on 11 August 2020.



R Archer

Director

# Frontier Microsystems Limited

Registered No: 07824805

## STATEMENT OF CHANGES IN EQUITY

at 31 December 2019

	<i>Share capital £'000</i>	<i>Share premium account £'000</i>	<i>Capital Contribution £'000</i>	<i>Profit &amp; loss account £'000</i>	<i>Total share- holders deficit £'000</i>
At 1 January 2018	200	19,800	235	(21,216)	(981)
Profit for the year	-	-	-	6	6
Total comprehensive Income for the year	-	-	-	6	6
At 31 December 2018	200	19,800	235	(21,210)	(975)
Profit for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
At 31 December 2019	200	19,800	235	(21,210)	(975)

# Frontier Microsystems Limited

Registered No: 7824805

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## NOTES TO THE ACCOUNTS at 31 December 2019

### 1. ACCOUNTING POLICIES

#### *Statement of Compliance*

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The Company has taken advantage of the following disclosure exemptions under FRS101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

#### *Basis of Preparation*

The financial statements have been prepared in accordance with the Companies Act 2006 and the principal accounting policies as summarised below. They have all been applied consistently throughout the year.

#### *Disclosure Exemptions Policies*

The following disclosure exemptions have been adopted:

- Preparation of a cash flow statement
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of the Group as they are wholly owned within the Group
- Presentation of comparative reconciliations for property, plant and equipment and intangible assets
- Disclosure of key management personnel compensation
- Capital management disclosures

The following disclosure exemption has also been adopted as equivalent disclosures are provided in the parent consolidated financial statements.

- Reduced financial instruments disclosures relating to IFRS 7 as equivalent disclosures are provided by the parent entity.

# Frontier Microsystems Limited

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## NOTES TO THE ACCOUNTS

at 31 December 2019

### ***Going concern***

The Company is a subsidiary of Science Group Plc. The Directors of Science Group Plc have considered the forecasts of that Company together with all of its subsidiaries (together "the Group") in order to form a view on the going concern position of the Group.

The Board are satisfied that whilst there are risk factors associated with any set of forecasts, due care has been exercised in preparing them. The Board notes that it continues to monitor its product development strategy and that, if a decision was made to enhance the development expenditure or to accelerate the timing of planned development, additional funding may be required.

The Directors note that Science Group Plc has agreed to continue to provide support to the Company for at least 12 months subsequent to the signing of these accounts and that therefore it is appropriate to prepare these accounts on a going concern basis.

Management have considered the potential impact of covid19 and do not consider it to affect the company's ability to continue as a going concern.

### ***Research and development costs***

Research and development expenditure is charged to the statement of comprehensive income as incurred.

### ***Deferred taxation***

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 receive more, tax.

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 currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All foreign exchange differences are taken to the Statement of Comprehensive Income.

### ***Income taxes***

Tax expense recognised in the Statement of Comprehensive Income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

# Frontier Microsystems Limited

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## NOTES TO THE ACCOUNTS at 31 December 2019

### *Critical accounting judgements and key sources of estimation uncertainty*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. There are no material judgements or estimates in preparation of these financial statements.

### 2. OPERATING PROFIT

This is stated after charging/ (crediting):

	2019 £'000	2018 £'000
(Gain)/ loss on foreign exchange transactions	-	-

Auditors' remuneration is borne by the parent company.

### 3. DIRECTORS' EMOLUMENTS

Directors were paid by other companies within the Science Group and are disclosed in the financial statements of those companies.

# Frontier Microsystems Limited

Registered No: 7824805

## NOTES TO THE ACCOUNTS at 31 December 2019

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2019 £'000	2018 £'000
<i>Current tax:</i>		
Adjustment in respect of prior year provision	-	-
Tax credit	-	-
Deferred tax	-	-

#### Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are reconciled below:

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	-	6
Profit on ordinary activities multiplied by the standard rate of corporation tax 19% (2018: 19%)	-	1
Effect of:		
Research and development tax credit adjustment	-	-
Losses utilised	-	(1)

### 5. CREDITORS: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to Group undertakings	975	998
	975	998

Amounts owed to Group undertakings are repayable on demand and are non-interest bearing.

# Frontier Microsystems Limited

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## NOTES TO THE ACCOUNTS at 31 December 2019

### 6. SHARE CAPITAL

#### *Authorised*

	2019		2018	
	No.	£	No.	£
Ordinary shares of £0.01 each	20,000,000	200,000	20,000,000	200,000

#### *Allotted, called up and fully paid*

	2019		2018	
	No.	£	No.	£
Ordinary shares of £0.01 each	20,000,000	200,000	20,000,000	200,000

### 7. SHAREHOLDERS' DEFICIT AND RESERVES

**Called-up share capital** – represents the nominal value of shares that have been issued.

**Share premium account** – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Capital contribution reserve** – represents the cumulative amount that has been expensed in connection with equity settled share-based payments.

**Profit and loss account** – includes all current and prior period retained profit and losses.

### 8. CAPITAL COMMITMENTS

At the balance sheet date, the capital commitments were £nil (2018: £nil).

### 9. CONTINGENT LIABILITIES

Frontier Smart Technologies Limited a sister company in the Science Group entered into a revolving credit facility agreement in May 2018. Consequently, the loan carries a fixed and floating charge over all the property, assets and undertakings of the Company and other Group entities. This loan was repaid in full on 15 October 2019.

### 10. CONTROLLING PARTY

The ultimate parent Company of Frontier Microsystems Limited is Science Group Plc, incorporated in the England & Wales, by virtue of its 100% shareholding in the Company. Science Group Plc has a registered office located at Harston Mill, Royston, Harston, Cambridge CB22 7GG.

### 11. POST BALANCE SHEET EVENTS

We are exposed to risks related to the recent outbreak of the Corona virus. Governments in affected countries are imposing travel bans, quarantines, lockdown and other public safety measures. Those measures, though temporary in nature may continue and increase depending on the development of the virus outbreak.

# Frontier Microsystems Limited

Registered No: 7824805

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## NOTES TO THE ACCOUNTS

at 31 December 2019

We are monitoring closely the development of the situation and anticipating all actions to ensure the business continuity and mitigate the risks on our operations. In the meantime, we also focus on the safety and the wellbeing of our people. All employees have been working from home for several months and this has proven to be very efficient.

The ultimate severity of the corona virus impact is uncertain at this time and therefore we cannot predict the impact it may have on our end markets and operations in 2020 and beyond.

Our cash forecast shows that there might be some decrease in turnover and consequently in cash entry during the coming months. This potential shortage of cash has already been covered at the group level by extending credit lines with the banks and receiving loans from shareholders.