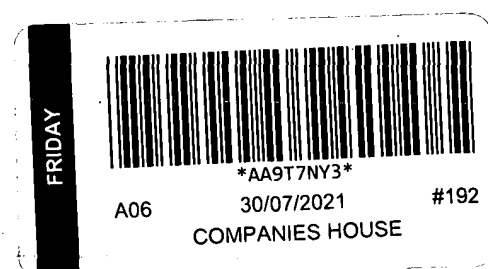


COMPANY NO: 07824805

FRONTIER MICROSYSTEMS LIMITED

Annual Report and Accounts

For the Year Ended 31 December 2020



# Frontier Microsystems Limited

Registered No: 04213838

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# Frontier Microsystems Limited

Registered No: 04213838

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## **DIRECTORS' REPORT**

The Directors present their report and the financial statements for the year ended 31 December 2020.

### **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 £975,000 (2019: £nil). The Directors do not recommend the payment of a dividend (2019: £nil).

### **DIRECTORS**

The Directors who served during the year or up to the date of this report are as shown below:

R Archer (resigned 9 April 2021)

S Cole

S Vohra (appointed 11 January 2021)

### **PRINCIPAL OPPORTUNITIES AND RISKS**

The management of the business and execution of the Company's strategy are subject to a number of risks, the most significant of which are managed on a Group basis. Risks are reviewed by the Group's board and appropriate processes put in place to monitor and mitigate them. The key business risks for the Company, are set out as below:

#### ***Covid-19***

The business continues to monitor the Coronavirus (Covid-19) outbreak very closely. The Company does not trade and thus the direct impact is mitigated.

#### ***Brexit***

There is uncertainty regarding the short, medium and long-term impact Brexit may have on markets, financial circumstances of customers and/or the future trading relationships between the UK and other countries both in Europe and in other parts of the world. As the Company is not currently trading the risk to the Company from Brexit is mitigated.

### **POST BALANCE SHEET EVENTS**

There have been no events since 31 December 2020 which require adjustment or disclosure in the Annual Statements.

### **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.

# Frontier Microsystems Limited

Registered No: 04213838

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## 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 comprising FRS 101 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.

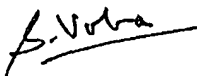
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

By order of the board 24 June 2021.



S Vohra  
Director

# Frontier Microsystems Limited

Registered No: 04213838

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## 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 2020, which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet 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 2020 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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. The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our

# Frontier Microsystems Limited

Registered No: 04213838

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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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement, 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

## Frontier Microsystems Limited

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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.

### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which it operates. We determined that the following laws and regulations were most significant: FRS 101 and Companies Act 2006;
- We obtained an understanding of the company's policies and procedures implemented to prevent and detect non-compliance with laws and regulations by inquiry with management, those responsible for legal and compliance procedures including the company secretary;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included: identifying and testing large and unusual journal entries;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations;
- It is the engagement partner's assessment that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations based on understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
- Management have not communicated to the audit team any matters of non-compliance with laws and regulations or fraud and no such matters were identified by the audit team.

### **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.

*Grant Thornton UK LLP*

Alison Seekings

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Cambridge

25 June 2021

# Frontier Microsystems Limited

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## STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2020

		<i>Notes</i>	
		2020 £'000	2019 £'000
<b>TURNOVER</b>		-	-
Cost of sales		-	-
<b>GROSS PROFIT</b>		-	-
Other operating charges		975	-
<b>OPERATING PROFIT</b>	2	975	-
Interest paid		-	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		975	-
Tax on ordinary activities	4	-	-
<b>RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION/ TOTAL COMPREHENSIVE PROFIT</b>		975	-

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

The notes on pages 10 to 13 form part of these financial statements



# Frontier Microsystems Limited

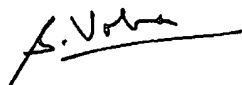
Registered No: 07824805

## STATEMENT OF FINANCIAL POSITION at 31 December 2020

	Notes	2020 £'000	2019 £'000
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		-	-
		-	-
<b>CREDITORS: amounts falling due within one year</b>	5	-	(975)
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>		-	(975)
<b>TOTAL ASSETS LESS CURRENT (LIABILITIES)/ ASSETS</b>		-	(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	(20,235)	(21,210)
<b>EQUITY SHAREHOLDERS' FUNDS</b>		-	(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 24 June 2021.



S Vohra

Director

The notes on pages 10 to 13 form part of these financial statements

# Frontier Microsystems Limited

Registered No: 07824805

## STATEMENT OF CHANGES IN EQUITY at 31 December 2020

	<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 2019	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)
Profit for the year	-	-	-	975	975
Total comprehensive income for the year	-	-	-	-	-
At 31 December 2020	200	19,800	235	(20,235)	-

The notes on pages 10 to 13 form part of these financial statements.

# Frontier Microsystems Limited

Registered No: 07824805

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## NOTES TO THE ACCOUNTS

at 31 December 2020

### 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 of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 which also requires management to exercise its judgement in the process of applying the Company's accounting policies.

#### *Going concern*

The Company is a fully owned subsidiary of Science Group plc and the cash resources of Science Group plc and its subsidiaries (the 'Group') are shared across all subsidiaries enabling each Company to be able to meet its financial obligations as they fall due. The Group has a cash balance at 31 December 2020 of £27.1 million (excluding client funds) and the Directors have assessed the forecast future cash flows for the foreseeable future for the Group and thereby, in turn for the Company.

Despite the Covid-19 pandemic and a corresponding increase in uncertainty in the economic environment, there are no events or conditions which cast significant doubt on the ability of the Group (and hence all subsidiaries within it) to continue as a going concern. In support, the revenue and operating profit grew year on year and cash generated from operations was £17.8 million during the year ended 31 December 2020.

#### *Research and development costs*

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

# Frontier Microsystems Limited

Registered No: 07824805

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## NOTES TO THE ACCOUNTS

at 31 December 2020

### **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.

### **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 (crediting):

	2020 £'000	2019 £'000
Inter-company balance written off (gain)/ loss	(975)	-

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: 07824805

## NOTES TO THE ACCOUNTS

at 31 December 2020

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2020 £'000	2019 £'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 profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are reconciled below:

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	975	-
Profit on ordinary activities multiplied by the standard rate of corporation tax 19% (2019: 19%)	185	-
Effect of:		
Research and development tax credit adjustment	-	-
Losses utilised	(185)	-

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

	2020 £'000	2019 £'000
Amounts owed to Group undertakings	-	975
	-	975

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 2020

### 6. SHARE CAPITAL

#### Authorised

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.01 each	20,000,000	200,000	20,000,000	200,000

#### Allotted, called up and fully paid

	2020		2019	
	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** – include all current and prior period retained profit and losses.

### 8. CAPITAL COMMITMENTS

At the balance sheet date, the capital commitments were *£nil* (2019: *£nil*).

### 9. 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.

### 10. POST BALANCE SHEET EVENTS

There have been no material events since 31 December 2020.