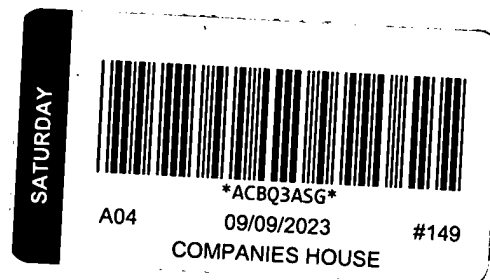


**Digipal UK Group Limited**

**Filleted Unaudited Financial Statements**

**31 December 2022**



**GRIFFITHS & PEGG LIMITED**

Chartered Accountants  
3 Hagley Court South  
Waterfront East  
Level Street  
Brierley Hill  
DY5 1XE

# **Digipal UK Group Limited**

## **Financial Statements**

**Year ended 31 December 2022**

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# Digipal UK Group Limited

## Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	5	555,026	396,508
<b>Current assets</b>			
Stocks		–	54,701
Debtors	6	223,515	834,561
Cash at bank and in hand		240,214	47,768
		<u>463,729</u>	<u>937,030</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(641,858)</u>	<u>(990,100)</u>
<b>Net current liabilities</b>		<u>178,129</u>	<u>53,070</u>
<b>Total assets less current liabilities</b>		<u>376,897</u>	<u>343,438</u>
<b>Provisions</b>		<u>(12,499)</u>	<u>(26,601)</u>
<b>Net assets</b>		<u><u>364,398</u></u>	<u><u>316,837</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Share premium account		217,347	217,347
Profit and loss account		<u>147,049</u>	<u>99,488</u>
<b>Shareholders funds</b>		<u><u>364,398</u></u>	<u><u>316,837</u></u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 2 May 2023, and are signed on behalf of the board by:

Mr M David  
Director



Company registration number: 12487414

The notes on pages 2 to 6 form part of these financial statements.

# Digipal UK Group Limited

## Notes to the Financial Statements

Year ended 31 December 2022

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### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 4200 Waterside Solihull Parkway, Birmingham Business Park, Birmingham, West Midlands, B37 7YN.

### 2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Disclosure exemptions

No cash flow statement has been presented for the company.

#### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

# Digipal UK Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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### 3. Accounting policies *(continued)*

#### Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 20% straight line
IoT Plant and machinery	- 20% straight line
Euro pallets	- 35% straight line

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

# Digipal UK Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2022

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#### 3. Accounting policies *(continued)*

##### Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

# Digipal UK Group Limited

## Notes to the Financial Statements (continued)

### Year ended 31 December 2022

#### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 3 (2021: 2).

#### 5. Tangible assets

	Plant and machinery £	Equipment £	User defined asset £	Total £
<b>Cost</b>				
At 1 January 2022	441,082	7,565	152,953	601,600
Additions	95,272	288,210	–	383,482
Disposals	(12,480)	–	–	(12,480)
<b>At 31 December 2022</b>	<b>523,874</b>	<b>295,775</b>	<b>152,953</b>	<b>972,602</b>
<b>Depreciation</b>				
At 1 January 2022	123,653	1,261	80,178	205,092
Charge for the year	104,775	59,155	53,533	217,463
Disposals	(4,979)	–	–	(4,979)
<b>At 31 December 2022</b>	<b>223,449</b>	<b>60,416</b>	<b>133,711</b>	<b>417,576</b>
<b>Carrying amount</b>				
<b>At 31 December 2022</b>	<b>300,425</b>	<b>235,359</b>	<b>19,242</b>	<b>555,026</b>
At 31 December 2021	317,429	6,304	72,775	396,508

#### 6. Debtors

	2022 £	2021 £
Trade debtors	211,479	748,185
Other debtors	12,036	86,376
	<b>223,515</b>	<b>834,561</b>

#### 7. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	214,062	312,294
Amounts owed to group companies	267,872	558,654
Social security and other taxes	62,341	45,388
Other creditors	97,583	73,764
	<b>641,858</b>	<b>990,100</b>

The amounts owed to group companies are to Digipal Solutions Israel Limited £170,615 (2021 £398,654) and Digipal Inc £97,257 (2021 £160,000).

# Digipal UK Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

### 8. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

### 9. Contingencies

There were no contingent liabilities known to or anticipated by the directors at 31st December 2022 (2021 NONE). There were no legal actions against the company or pending.

### 10. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2022		
	Balance brought forward	Amounts repaid	Balance outstanding
	£	£	£
Mr M David	<u>—</u>	<u>(2,110)</u>	<u>(2,110)</u>
	2021		
	Balance brought forward	Amounts repaid	Balance outstanding
	£	£	£
Mr M David	<u>—</u>	<u>—</u>	<u>—</u>

### 11. Related party transactions

The company is a wholly owned subsidiary of Cleanpal Holdco LP Inc, which is a wholly owned subsidiary of the ultimate parent company, Digipal Inc.

Management charges of £30,000 (31st December 2021 £11,234) were paid to Digipal Solutions Israel Limited.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.