

000132/20

REGISTERED NUMBER: FC031362 (England and Wales)

**Report of the Directors and**  
**Unaudited**  
**Consolidated Financial Statements**  
**for the Year Ended 31 December 2020**  
**for**  
**IOBAC Limited**



**Contents of the Consolidated Financial Statements  
for the Year Ended 31 December 2020**

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**IOBAC Limited**

**Company Information  
for the Year Ended 31 December 2020**

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**DIRECTORS:**

I Spreadborough  
P Woolvine  
J R Lawson-Brown

**REGISTERED OFFICE:**

1st and 2nd Floors  
Elizabeth House  
Les Rueties Brayes  
St Peter Port, Guernsey  
GY1 1EW

**REGISTERED NUMBER:**

FC031362 (England and Wales)

**ACCOUNTANTS:**

Butt Miller  
Chartered Accountants  
92 Park Street  
Camberley  
Surrey  
GU15 3NY

**IOBAC Limited**

**Report of the Directors  
for the Year Ended 31 December 2020**

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The directors present their report with the financial statements of the company and the group for the year ended 31 December 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company and the group continued to be the ownership and development of a patent for the development of specialist flooring solutions. The principal activity of the company's sole subsidiary undertaking, IOBAC UK Limited, is the development of specialist flooring solutions.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

I Spreadborough  
P Woolvine  
J R Lawson-Brown

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



P Woolvine - Director

1 October 2021

**Consolidated Income Statement  
for the Year Ended 31 December 2020**

	2020 £	2019 £
<b>TURNOVER</b>	111,423	69,864
Cost of sales	<u>(91,804)</u>	<u>(74,756)</u>
<b>GROSS PROFIT/(LOSS)</b>	19,619	(4,892)
Administrative expenses	<u>(424,836)</u>	<u>(547,502)</u>
	(405,217)	(552,394)
Other operating income	<u>10,435</u>	<u>2,785</u>
<b>OPERATING LOSS</b>	(394,782)	(549,609)
Interest payable and similar expenses	<u>(445)</u>	<u>(385,250)</u>
<b>LOSS BEFORE TAXATION</b>	(395,227)	(934,859)
Tax on loss	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	<u>(395,227)</u>	<u>(934,859)</u>
Loss attributable to: Owners of the parent	<u>(395,227)</u>	<u>(934,859)</u>

The notes form part of these financial statements

**Consolidated Statement of Financial Position  
31 December 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Intangible assets	5	535,791	513,561
Tangible assets	6	54	1,092
Investments	7	-	-
		<u>535,845</u>	<u>514,653</u>
<b>CURRENT ASSETS</b>			
Debtors	8	23,830	26,112
Cash at bank		338,747	668,066
		<u>362,577</u>	<u>694,178</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(159,075)	(89,753)
<b>NET CURRENT ASSETS</b>		<u>203,502</u>	<u>604,425</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>739,347</u>	<u>1,119,078</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	(15,496)	-
<b>NET ASSETS</b>		<u><u>723,851</u></u>	<u><u>1,119,078</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		47,525	47,525
Share premium		5,309,070	5,309,070
Capital redemption reserve		570,739	570,739
Share option reserve		385,410	385,410
EBT reserve		(4,816)	(4,816)
Retained earnings		(5,584,077)	(5,188,850)
		<u><u>723,851</u></u>	<u><u>1,119,078</u></u>

The company and the group are entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company and the group to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the group keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company and the group as at the end of each financial year and of the group's profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company and the group.

The notes form part of these financial statements

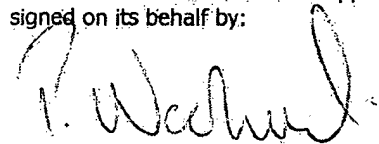
**IOBAC Limited (Registered number: FC031362)**

**Consolidated Statement of Financial Position - continued**  
**31 December 2020**

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

The financial statements were approved by the Board of Directors and authorised for issue on 1 October 2021 and were signed on its behalf by:



P Woolvine - Director

The notes form part of these financial statements

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**Company Statement of Financial Position  
31 December 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Intangible assets	5	535,791	513,561
Tangible assets	6	-	-
Investments	7	100	100
		<u>535,891</u>	<u>513,661</u>
<b>CURRENT ASSETS</b>			
Debtors	8	4,780,352	4,854,954
<b>CREDITORS</b>			
Amounts falling due within one year	9	(65,630)	(52,804)
<b>NET CURRENT ASSETS</b>		<u>4,714,722</u>	<u>4,802,150</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,250,613</u>	<u>5,315,811</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		47,525	47,525
Share premium		5,309,070	5,309,070
Capital redemption reserve		570,739	570,739
Share option reserve		385,410	385,410
EBT reserve		(4,816)	(4,816)
Retained earnings		(1,057,315)	(992,117)
		<u>5,250,613</u>	<u>5,315,811</u>
Company's loss for the financial year		<u>(65,198)</u>	<u>(516,769)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements



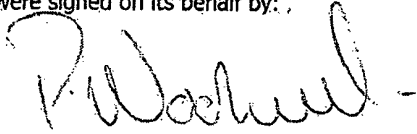
**IOBAC Limited (Registered number: FC031362)**

**Company Statement of Financial Position - continued**  
**31 December 2020**

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

The financial statements were approved by the Board of Directors and authorised for issue on 24 September 2021 and were signed on its behalf by:



P Woolvine - Director

The notes form part of these financial statements

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**Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2020**

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 January 2019</b>	47,525	(4,253,991)	5,309,070
<b>Changes in equity</b>			
Total comprehensive income	-	(934,859)	-
<b>Balance at 31 December 2019</b>	47,525	(5,188,850)	5,309,070
<b>Changes in equity</b>			
Total comprehensive income	-	(395,227)	-
<b>Balance at 31 December 2020</b>	47,525	(5,584,077)	5,309,070

	Capital redemption reserve £	Share option reserve £	EBT reserve £	Total equity £
<b>Balance at 1 January 2019</b>	570,739	-	-	1,673,343
<b>Changes in equity</b>				
Share options vested	-	385,410	-	385,410
Total comprehensive income	-	-	-	(934,859)
Shares issued to Employee Benefit Trust	-	-	(4,816)	(4,816)
<b>Balance at 31 December 2019</b>	570,739	385,410	(4,816)	1,119,078
<b>Changes in equity</b>				
Total comprehensive income	-	-	-	(395,227)
<b>Balance at 31 December 2020</b>	570,739	385,410	(4,816)	723,851

The notes form part of these financial statements

**Company Statement of Changes in Equity  
for the Year Ended 31 December 2020**

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 January 2019</b>	47,525	(475,348)	5,309,070
<b>Changes in equity</b>			
Total comprehensive income	-	(516,769)	-
<b>Balance at 31 December 2019</b>	47,525	(992,117)	5,309,070
<b>Changes in equity</b>			
Total comprehensive income	-	(65,198)	-
<b>Balance at 31 December 2020</b>	47,525	(1,057,315)	5,309,070

	Capital redemption reserve £	Share option reserve £	EBT reserve £	Total equity £
<b>Balance at 1 January 2019</b>	570,739	-	-	5,451,986
<b>Changes in equity</b>				
Share options vested	-	385,410	-	385,410
Total comprehensive income	-	-	-	(516,769)
Shares issued to Employee Benefit Trust	-	-	(4,816)	(4,816)
<b>Balance at 31 December 2019</b>	570,739	385,410	(4,816)	5,315,811
<b>Changes in equity</b>				
Total comprehensive income	-	-	-	(65,198)
<b>Balance at 31 December 2020</b>	570,739	385,410	(4,816)	5,250,613

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2020**

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**1. STATUTORY INFORMATION**

!OBAC Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The consolidated financial statements incorporate those of !OBAC Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2020.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

**Turnover**

Turnover represents royalties earned in relation to the sale of products and services utilising the patented know-how held by the company. Royalties are recognised on an accruals basis in accordance with the substance of the sale contract.

**Intangible fixed assets**

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patent costs	Not currently amortised
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The patents held by the company are not currently being amortised on the basis that the patent rights to market the products and services fully remain in the process of being granted on a market-by-market basis, and therefore the patents are not fully operational commercially. The company's sales utilising the technology are currently being made on a test and trial basis only.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
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**Investments in subsidiaries**

Investments in subsidiary undertakings are initially measured at cost and subsequently measured at cost less provision for diminution in value.

**Government grants**

The subsidiary received government grants which comprise amounts received from the local council and a Business Interruption Loan agreement and are recognised in the Income Statement once the relevant performance conditions have been met.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020**

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**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development activities is included in the Income Statement in the year in which it is incurred.

**Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the Income Statement for the period.

**Operating leases**

Rentals payable under operating leases are charged to the Income Statement on a straight line basis over the term of the relevant lease.

**Retirement benefits**

The subsidiary operates a defined contribution pension scheme. Contributions are charged to the Income Statement in the period to which they relate.

**Going concern**

As at 31 December 2020 the company and group had negative retained earnings. The Covid-19 pandemic resulted in the country going into periods of 'lockdown'. The situation continues to affect the company and the UK economy as a whole. The directors are nevertheless of the opinion that the going concern basis of accounting remains appropriate, and the company will continue to operate effectively for the foreseeable future, owing in part to the continued financial support of the existing shareholders. The directors are also confident of bringing the company's product effectively to market in the near future to generate positive working capital, and have secured substantial investment to fund the commercialisation of !OBAC's technologies.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 4 (2019 - 2).

The average number of employees by undertakings that were proportionately consolidated during the year was 3 (2019 - 2).

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020**

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**4. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**5. INTANGIBLE FIXED ASSETS**

**Group**

	Other intangible assets £
<b>COST</b>	
At 1 January 2020	513,561
Additions	22,230
	<hr/>
At 31 December 2020	535,791
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2020	535,791
	<hr/>
At 31 December 2019	513,561
	<hr/>

**Company**

	Other intangible assets £
<b>COST</b>	
At 1 January 2020	513,561
Additions	22,230
	<hr/>
At 31 December 2020	535,791
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2020	535,791
	<hr/>
At 31 December 2019	513,561
	<hr/>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020**

**6. TANGIBLE FIXED ASSETS**

**Group**

	Fixtures and fittings £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	<u>7,772</u>
<b>DEPRECIATION</b>	
At 1 January 2020	6,680
Charge for year	<u>1,038</u>
At 31 December 2020	<u>7,718</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>54</u>
At 31 December 2019	<u>1,092</u>

**7. FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	<u>100</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>100</u>
At 31 December 2019	<u>100</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiary**

**IOBAC UK Limited**

Registered office: Unit 9, Berry Court Farm, Bramley Road, Little London, Tadley, Hampshire, RG26 5AT

Nature of business: Flooring specialist

Class of shares:	% holding
Ordinary	100.00

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

8. DEBTORS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,908	6,987	1,234	4,084
Other debtors	797	-	-	-
Amounts owed by subsidiary	-	-	4,763,493	4,835,245
Tax	15,625	15,625	15,625	15,625
	<u>20,330</u>	<u>22,612</u>	<u>4,780,352</u>	<u>4,854,954</u>
Amounts falling due after more than one year:				
Other debtors	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>23,830</u>	<u>26,112</u>	<u>4,780,352</u>	<u>4,854,954</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	3,479	-	-	-
Trade creditors	80,133	36,309	46,931	21,989
Social security and other taxes	5,348	7,694	-	-
VAT	13,587	14,602	14,759	15,461
Other creditors	47,060	10,139	100	100
Accruals	9,468	21,009	3,840	15,254
	<u>159,075</u>	<u>89,753</u>	<u>65,630</u>	<u>52,804</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2020	2019
	£	£
Bank loans - 1-2 years	3,795	-
Bank loans - 2-5 years	11,385	-
Bank loans more than 5 years	316	-
	<u>15,496</u>	<u>-</u>

Amounts falling due in more than five years:

	Group	
	2020	2019
	£	£
Repayable by instalments		
Bank loans more than 5 years	<u>316</u>	<u>-</u>

11. LEASING AGREEMENTS

Minimum lease payments fall due as follows:



**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020**

**Group**

	Non-cancellable operating leases	
	2020	2019
	£	£
Within one year	14,000	14,000
Between one and five years	58,333	70,000
In more than five years	-	2,333
	<u>72,333</u>	<u>86,333</u>

**12. SHARE CAPITAL**

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
4,270,888 Ordinary shares of £0.01 each	<u>42,709</u>	<u>42,709</u>
<b>Issued and unpaid</b>		
481,590 Ordinary shares of £0.01 each	<u>4,816</u>	<u>4,816</u>

The unpaid shares were issued to an Employee Benefit Trust.

On 7 December 2019 the company granted, and immediately vested, 385,410 share options exercisable at any time before the 10 year anniversary date.