

ALPHATEC SOFTWARE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Milne Craig
Chartered Accountants
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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ALPHATEC SOFTWARE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:

B G Boyce
S J Davies
D J Grier

SECRETARY:

D J Grier

REGISTERED OFFICE:

Eastcroft House
Woodhall Road
Wishaw
Lanarkshire
ML2 8PY

REGISTERED NUMBER:

SC164246 (Scotland)

ACCOUNTANTS:

Milne Craig
Chartered Accountants
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

BALANCE SHEET
31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible assets	4		-		15,750
Tangible assets	5		31,201		36,843
			<u>31,201</u>		<u>52,593</u>
CURRENT ASSETS					
Stocks	6	93,975		123,375	
Debtors	7	883,784		1,038,222	
Cash at bank and in hand		<u>136,189</u>		<u>48,536</u>	
		1,113,948		1,210,133	
CREDITORS					
Amounts falling due within one year	8	<u>362,615</u>		<u>387,198</u>	
NET CURRENT ASSETS			<u>751,333</u>		<u>822,935</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			782,534		875,528
CREDITORS					
Amounts falling due after more than one year	9		<u>44,495</u>		-
NET ASSETS			<u>738,039</u>		<u>875,528</u>
CAPITAL AND RESERVES					
Called up share capital			188		188
Retained earnings			<u>737,851</u>		<u>875,340</u>
SHAREHOLDERS' FUNDS			<u>738,039</u>		<u>875,528</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:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) 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.

**BALANCE SHEET - continued
31 DECEMBER 2020**

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 20 April 2021 and were signed on its behalf by:

D J Grier - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. STATUTORY INFORMATION

Alphatec Software Limited is a private company, limited by shares, registered in Scotland. The company's registered number is SC164246 and its registered address is Eastercroft House Woodhall Road Wishaw Lanarkshire ML 8PY.

The principal activity of the company during the year was that of software consultants.

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.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Inventories are assessed for evidence of obsolescence and a provision is made against any inventory unlikely to be sold, or where stock is sold post year end at a loss.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Consideration is given to the point at which the Company is entitled to receive the income, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the provision of services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due;
- the costs incurred can be measured reliably.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Research and Development costs are being amortised evenly over their estimated useful life of nil years.

Tangible fixed assets

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

Short leasehold	- at varying rates on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transactions costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated 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.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 10 (2019 - 8) .

4. INTANGIBLE FIXED ASSETS

	Research and Development costs £
COST	
At 1 January 2020 and 31 December 2020	<u>63,000</u>
AMORTISATION	
At 1 January 2020	47,250
Amortisation for year	<u>15,750</u>
At 31 December 2020	<u>63,000</u>
NET BOOK VALUE	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>15,750</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

5. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2020	136,557	24,612	48,042	209,211
Additions	-	618	11,836	12,454
Disposals	-	-	(18,638)	(18,638)
At 31 December 2020	<u>136,557</u>	<u>25,230</u>	<u>41,240</u>	<u>203,027</u>
DEPRECIATION				
At 1 January 2020	116,335	23,803	32,230	172,368
Charge for year	9,735	278	7,825	17,838
Eliminated on disposal	-	-	(18,380)	(18,380)
At 31 December 2020	<u>126,070</u>	<u>24,081</u>	<u>21,675</u>	<u>171,826</u>
NET BOOK VALUE				
At 31 December 2020	<u>10,487</u>	<u>1,149</u>	<u>19,565</u>	<u>31,201</u>
At 31 December 2019	<u>20,222</u>	<u>809</u>	<u>15,812</u>	<u>36,843</u>

6. STOCKS

	2020 £	2019 £
Work-in-progress	<u>93,975</u>	<u>123,375</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	73,214	179,323
Amounts owed by group undertakings	600,000	600,000
Amounts owed by associated undertaking	189,402	189,402
Directors' current accounts	779	-
Corporation tax	-	50,690
Prepayments	<u>20,389</u>	<u>18,807</u>
	<u>883,784</u>	<u>1,038,222</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts	5,505	-
Trade creditors	4,549	34,380
Social security and other taxes	59,149	43,606
Other creditors	4,478	3,016
Directors' current accounts	-	123
Accrued expenses	7,118	8,453
Deferred income	<u>281,816</u>	<u>297,620</u>
	<u>362,615</u>	<u>387,198</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020	2019
	£	£
Bank loans - 1-2 years	9,639	-
Bank loans - 2-5 years	30,446	-
Bank loans more 5 yr by instal	4,410	-
	<u>44,495</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>4,410</u>	<u>-</u>

10. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year the directors benefited from an interest free loan from the company. As at the 31st December 2020 the balance amounted to £779 (2019 - £123 creditor).

The balance was repaid in full after the year end.

11. RELATED PARTY DISCLOSURES

Included in debtors at the year end is an amount of £189,402 (2019 - £189,402) owed by it associated company Craig Investment Leasing Company Limited.

Also included in debtors is an amount of £600,000 (2019 - £600,000) owed by its controlling party Alphatec Holdings Limited.

12. ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party is Alphatec Holdings Limited, a company incorporated in England .

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
ALPHATEC SOFTWARE LIMITED**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Alphatec Software Limited for the year ended 31 December 2020 which comprise the Statement of Income and Retained Earnings, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of ICAS, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/accountspreparationguidance>.

This report is made solely to the Board of Directors of Alphatec Software Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Alphatec Software Limited and state those matters that we have agreed to state to the Board of Directors of Alphatec Software Limited, as a body, in this report in accordance with the requirements of ICAS as detailed at <http://www.icas.com/accountspreparationguidance>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Alphatec Software Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Alphatec Software Limited. You consider that Alphatec Software Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Alphatec Software Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Milne Craig
Chartered Accountants
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

20 April 2021

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.