

THE IDCO. LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

THE IDCO. LIMITED

COMPANY INFORMATION

Directors	M Boocher L Campos N Kingsbury J Varga T Heywood (appointed 20 September 2021) Y G P Chim (appointed 20 October 2021)
Registered number	SC400459
Registered office	83 Princes Street Edinburgh EH2 2ER
Independent auditors	EQ Accountants LLP Chartered Accountants & Statutory Auditors 14 City Quay Dundee DD1 3JA

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	137,244	171,340
Tangible assets	5	14,140	7,514
Investments	6	101	101
		<u>151,485</u>	<u>178,955</u>
Current assets			
Debtors: amounts falling due within one year	7	437,213	372,456
Cash at bank and in hand		620,618	374,333
		<u>1,057,831</u>	<u>746,789</u>
Creditors: amounts falling due within one year	8	(353,787)	(317,611)
Net current assets		<u>704,044</u>	<u>429,178</u>
Total assets less current liabilities		<u>855,529</u>	<u>608,133</u>
Creditors: amounts falling due after more than one year	9	-	(842,571)
Net assets/(liabilities)		<u><u>855,529</u></u>	<u><u>(234,438)</u></u>
Capital and reserves			
Called up share capital		19,739	12,732
Share premium account	11	13,440,686	10,558,899
Other reserves	11	4,629	42,441
Profit and loss account	11	(12,609,525)	(10,848,510)
		<u><u>855,529</u></u>	<u><u>(234,438)</u></u>

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

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2022.

J Varga
Director

The notes on pages 2 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. General information

The IDCo Limited is a private company, limited by shares, domiciled in Scotland with registration number SC400459. The registered office is 83 Princes Street, Edinburgh, EH2 2ER.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

Having carried out the necessary review of working capital etc, the directors are satisfied that the company will have sufficient resources in place to meet liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

In view of the above, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.4 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.7 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.8 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 20% straight-line
Office equipment	- 33% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
	38	28
Employees		

4. Intangible assets

	Development expenditure	Goodwill	Total
	£	£	£
Cost			
At 1 July 2021	456,347	1,000	457,347
At 30 June 2022	456,347	1,000	457,347
Amortisation			
At 1 July 2021	285,514	493	286,007
Charge for the year on owned assets	34,046	50	34,096
At 30 June 2022	319,560	543	320,103
Net book value			
At 30 June 2022	136,787	457	137,244
At 30 June 2021	170,833	507	171,340

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

5. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 July 2021	771	23,265	24,036
Additions	167	15,846	16,013
At 30 June 2022	<u>938</u>	<u>39,111</u>	<u>40,049</u>
Depreciation			
At 1 July 2021	322	16,200	16,522
Charge for the year on owned assets	188	9,199	9,387
At 30 June 2022	<u>510</u>	<u>25,399</u>	<u>25,909</u>
Net book value			
At 30 June 2022	<u>428</u>	<u>13,712</u>	<u>14,140</u>
<i>At 30 June 2021</i>	<u>449</u>	<u>7,065</u>	<u>7,514</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2021	101
At 30 June 2022	<u>101</u>

7. Debtors

	2022 £	2021 £
Trade debtors	324,747	312,660
Other debtors	26,064	-
Prepayments and accrued income	86,402	59,796
	<u>437,213</u>	<u>372,456</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	186,250	159,120
Other taxation and social security	-	52,635
Other creditors	86,720	14,153
Accruals and deferred income	80,817	91,703
	<u>353,787</u>	<u>317,611</u>

9. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	-	842,571
	<u>-</u>	<u>842,571</u>

Other loans

The 'other loans' balance comprises a cohort of convertible loan notes issued in October 2017 totalling £52,000 (2021 - £62,000). The convertible loan notes issued in July 2020 were converted during the year and the balance at the year end was £Nil (2021 - £742,360). Per agreements, interest has been accrued at a rate of 10% on the 2017 loan notes and 8% on the 2020 loan notes. The option to convert these notes into shares is available at a discounted rate up until and upon maturity at 16th October 2022 for 2017 loans. A fair value adjustment from other capital reserves of £37,812 (2021 - to other capital reserves £42,441) has been completed in accordance with FRS102 Section 22.13 to recognise the equity portion of these transactions.

10. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
6,321,766 (2021 - 5,976,079) Ordinary shares of £0.001 each	6,322	5,976
13,417,562 (2021 - 6,755,852) Series A shares of £0.001 each	13,417	6,756
	<u>19,739</u>	<u>12,732</u>

On 20 October 2021, 297,562 Ordinary shares were issued at a price of £0.46 per share. On the same date 6,661,710 Series A shares were issued with 4,321,660 at a price of £0.46 per share, 2,165,890 at a price of £0.34 per share, and 174,160 at a price of £0.41 per share. On 22 February 202, 48,125 Ordinary shares were issued at a price of £0.07 per share.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

11. Reserves

Share premium account

The share premium account is the balance of the amounts paid over par value on the issue of share capital.

Other reserves

The other reserves is the fair value of the equity element of the loan notes issued.

Profit and loss account

The profit and loss account is the balance of profits and losses made in the current and previous years.

12. Share based payments

At the year end the Company held a total of 4,784,000 share options amongst 19 individuals (*2021 - 2,261,291 share options amongst 18 individuals*). During the year 204,791 share options lapsed due to 11 leavers. A further 780,000 were issued to 12 new individuals and 1,947,500 options were issued to existing option shareholders. The options are exercisable on the occurrence of an exit event, being a share sale, asset sale, an IPO or a voluntary winding up and lapse when the grantee ceased to work 25 hours per week or 75% of their working time as an employee or ceases to be an employee.

During the year there was no movement in previously issued warrants, leaving a balance of 54,360 (*2021 - 54,360*).

The warrants have an exercise price of £1.09 per share on the fulfilment of certain conditions:

- the warrant holder meets certain performance criteria, of commercial value to the company; or
- certain hurdle in the share price of the company are met prior to the next round of investment in the company.

The warrant shall lapse in the event that:

- the warrant is unexercised following a sale, disposal or flotation of the company; or
- the warrant holder ceases to be a shareholder of the company; or
- the warrant holder chooses to exercise only part of its entitlement (the remaining warrant shall lapse); or
- the warrant holder does not (or is eligible to) exercise the warrant by 31 December 2023.

13. Auditors' information

The auditors' report on the financial statements for the year ended 30 June 2022 was unqualified.

The audit report was signed on 23 September 2022 by Douglas Rae (Senior statutory auditor) on behalf of EQ Accountants LLP.

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.