

**IOTECH SYSTEMS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Iotech Systems Limited
Unaudited Financial Statements
For The Year Ended 31 December 2022

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Iotech Systems Limited
Balance Sheet
As At 31 December 2022

Registered number: 10705197

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	4		50,191		88,603
Investments	5		8		8
			<u>50,199</u>		<u>88,611</u>
CURRENT ASSETS					
Debtors	6	959,884		538,186	
Cash at bank and in hand		<u>1,509,491</u>		<u>548,913</u>	
		2,469,375		1,087,099	
Creditors: Amounts Falling Due Within One Year	7	<u>(466,239)</u>		<u>(198,676)</u>	
NET CURRENT ASSETS (LIABILITIES)			<u>2,003,136</u>		<u>888,423</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,053,335</u>		<u>977,034</u>
Creditors: Amounts Falling Due After More Than One Year	8		<u>(34,167)</u>		<u>(1,916,724)</u>
PROVISIONS FOR LIABILITIES					
Deferred Taxation			<u>(1,956)</u>		<u>-</u>
NET ASSETS/(LIABILITIES)			<u>2,017,212</u>		<u>(939,690)</u>
CAPITAL AND RESERVES					
Called up share capital			312		247
Share premium account			11,978,692		6,781,582
Other reserves			43,144		151,954
Profit and Loss Account			<u>(10,004,936)</u>		<u>(7,873,473)</u>
SHAREHOLDERS' FUNDS			<u>2,017,212</u>		<u>(939,690)</u>

Iotech Systems Limited
Balance Sheet (continued)
As At 31 December 2022

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.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

K R Steele

Director

27/09/2023

The notes on pages 3 to 6 form part of these financial statements.

Iotech Systems Limited
Notes to the Financial Statements
For The Year Ended 31 December 2022

1. General Information

Iotech Systems Limited is a private company, limited by shares, incorporated in England & Wales, registered number 10705197. The registered office is 6 Greenwood Close, Washington, NE38 8LR.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

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

Restatement Of Comparatives

Grant income has been reclassified in the prior year figures from turnover to other operating income. This change has decreased turnover and increased other operating income by £547,840.

2.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

2.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold	20% Straight Line
Fixtures & Fittings	33% Straight Line

2.4. Leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in the creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

2.5. Financial Instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit and loss.

2.6. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Iotech Systems Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2022

2.7. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

2.8. Pensions

The company operates a defined pension contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2.9. Government Grant

Government grants are recognised in the profit and loss account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the profit and loss account. Grants towards general activities of the entity over a specific period are recognised in the profit and loss account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the profit and loss account over the useful life of the asset concerned.

All grants in the profit and loss account are recognised when all conditions for receipt have been complied with.

2.10. Share Based Payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using either the fair value of the services received or the Black-Scholes model if that fair value cannot be estimated reliably. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment.

The share-based payment expense is not adjusted if the modified fair value is less than the original fair value. Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

2.11. Research and Development Costs

Expenditure on research and development is written off against profits in the year in which it is incurred.

3. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 37 (2021: 41)

Iotech Systems Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2022

4. Tangible Assets

	Land & Property		
	Leasehold	Fixtures & Fittings	Total
	£	£	£
Cost			
As at 1 January 2022	65,371	136,501	201,872
Additions	-	4,454	4,454
As at 31 December 2022	<u>65,371</u>	<u>140,955</u>	<u>206,326</u>
Depreciation			
As at 1 January 2022	13,946	99,323	113,269
Provided during the period	13,074	29,792	42,866
As at 31 December 2022	<u>27,020</u>	<u>129,115</u>	<u>156,135</u>
Net Book Value			
As at 31 December 2022	<u>38,351</u>	<u>11,840</u>	<u>50,191</u>
As at 1 January 2022	<u>51,425</u>	<u>37,178</u>	<u>88,603</u>

5. Investments

	Subsidiaries
	£
Cost	
As at 1 January 2022	8
As at 31 December 2022	<u>8</u>
Provision	
As at 1 January 2022	-
As at 31 December 2022	<u>-</u>
Net Book Value	
As at 31 December 2022	<u>8</u>
As at 1 January 2022	<u>8</u>

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting end date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

6. Debtors

	2022	2021
	£	£
Due within one year		
Trade debtors	373,950	214,452
Prepayments and accrued income	398,699	173,543
Other debtors	179,344	139,902
VAT	7,891	10,289
	<u>959,884</u>	<u>538,186</u>

Iotech Systems Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2022

7. Creditors: Amounts Falling Due Within One Year

	2022	2021
	£	£
Trade creditors	55,747	51,158
Bank loans and overdrafts	10,000	10,887
Other taxes and social security	108,495	54,375
Other creditors	59,109	27,810
Accruals and deferred income	166,380	47,449
Directors' loan accounts	65,976	-
Amounts owed to subsidiaries	532	6,997
	<u>466,239</u>	<u>198,676</u>

8. Creditors: Amounts Falling Due After More Than One Year

	2022	2021
	£	£
Bank loans	34,167	-
Loans and other borrowings	-	1,916,724
	<u>34,167</u>	<u>1,916,724</u>

9. Other Commitments

The total of future minimum lease payments under non-cancellable operating leases are as following:

	2022	2021
	£	£
Later than one year and not later than five years	690	6,822
	<u>690</u>	<u>6,822</u>

10. Post Balance Sheet Events

On 4th May 2023, there was an allotment of 1,641 Series B shares, providing investment of £1.46m.

11. Related Party Transactions

At the year end, there was an amount due to subsidiary undertaking, Iotech Systems Corporation of £523 (2021: £6,997).

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.