

COMPANY REGISTRATION NUMBER: 08594313

EkkoSense Ltd
Filleted Financial Statements
For the year ended
31 December 2019

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EkkoSense Ltd
Statement of Financial Position
31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	5	136,649	–
Tangible assets	6	42,599	19,103
Investments	7	300	–
		<u>179,548</u>	<u>19,103</u>
Current assets			
Stocks		267,170	207,341
Debtors	8	1,928,468	1,574,080
Cash at bank and in hand		1,896,081	262,655
		<u>4,091,719</u>	<u>2,044,076</u>
Creditors: amounts falling due within one year	9	<u>1,774,149</u>	<u>709,707</u>
Net current assets		<u>2,317,570</u>	<u>1,334,369</u>
Total assets less current liabilities		<u>2,497,118</u>	<u>1,353,472</u>
Creditors: amounts falling due after more than one year	10	3,759,870	2,164,672
Provisions			
Taxation including deferred tax		34,057	3,248
Net liabilities		<u>(1,296,809)</u>	<u>(814,448)</u>

The statement of financial position
continues on the following page.
The notes on pages 3 to 9 form part of these financial statements.

EkkoSense Ltd

Statement of Financial Position *(continued)*

31 December 2019

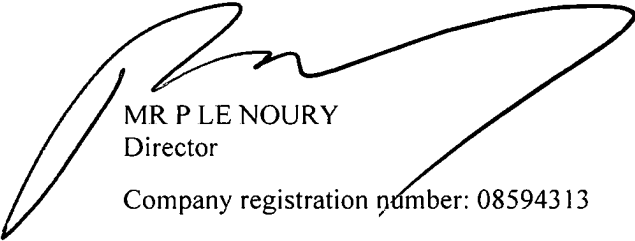
	Note	2019 £	2018 £
Capital and reserves			
Called up share capital		379	334
Share premium account		779,511	610,156
Profit and loss account		<u>(2,076,699)</u>	<u>(1,424,938)</u>
Shareholders deficit		<u>(1,296,809)</u>	<u>(814,448)</u>

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 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.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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 21 April 2020, and are signed on behalf of the board by:



MR P LE NOURY
Director

Company registration number: 08594313

The notes on pages 3 to 9 form part of these financial statements.

EkkoSense Ltd

Notes to the Financial Statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Tower House, Lucy Tower Street, Lincoln, Lincolnshire, LN1 1XW.

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.

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

Going concern

At the year-end, the balance sheet shows an overall deficit because of long term shareholder loans, but demonstrates a strong Net Current Assets position. The directors have received confirmation of continued financial support based on the contracted repayment terms of shareholders loans such that they believe that the company has adequate resources to continue in operational existence for the foreseeable future.

Furthermore, the directors have reviewed its business continuity plans and forecasts created by any uncertainty or disruption to business resulting from the COVID-19 pandemic and under that basis remain confident that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors consider that it is appropriate to prepare the financial statements on the going concern basis.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 402 of the Companies Act 2006 on the basis that its subsidiaries are excluded from consolidation on the grounds that their inclusion is not material for the purpose of giving a true and fair view.

EkkoSense Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that may have an effect on the carrying amounts of assets and liabilities include:

Intangible fixed assets are recognised at cost less accumulated amortisation and any impairments. Amortisation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the company's intangible fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

Tangible fixed assets are recognised at cost less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the company's tangible fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

In respect of long term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long term contracts and contracts for on-going services is recognised by reference to the estimated stage of completion.

Revenue recognition

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

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

EkkoSense Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

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 material 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.

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.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Development costs - straight line over 5 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

EkkoSense Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

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	-	straight line over 3 years
Equipment	-	straight line over 4 years

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

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.

Financial instruments

A financial asset or a financial liability is recognised only when the entity 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.

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.

4. Employee numbers and arrangements

The average number of persons employed by the company during the year amounted to 23 (2018: 19).

Consistent with other early stage companies, share options exist for key employees.

EkkoSense Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

5. Intangible assets

	Development costs £
Cost	
Additions	147,629
At 31 December 2019	<u>147,629</u>
Amortisation	
Charge for the year	10,980
At 31 December 2019	<u>10,980</u>
Carrying amount	
At 31 December 2019	<u>136,649</u>
At 31 December 2018	<u>—</u>

6. Tangible assets

	Plant and machinery £	Equipment £	Total £
Cost			
At 1 January 2019	22,027	26,932	48,959
Additions	26,705	8,364	35,069
Disposals	(13,138)	(8,566)	(21,704)
At 31 December 2019	<u>35,594</u>	<u>26,730</u>	<u>62,324</u>
Depreciation			
At 1 January 2019	15,512	14,344	29,856
Charge for the year	6,025	5,306	11,331
Disposals	(13,138)	(8,324)	(21,462)
At 31 December 2019	<u>8,399</u>	<u>11,326</u>	<u>19,725</u>
Carrying amount			
At 31 December 2019	<u>27,195</u>	<u>15,404</u>	<u>42,599</u>
At 31 December 2018	<u>6,515</u>	<u>12,588</u>	<u>19,103</u>

EkkoSense Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

7. Investments

	Shares in group undertakings £
Cost	
At 1 January 2019	–
Additions	<u>300</u>
At 31 December 2019	<u><u>300</u></u>
Impairment	
At 1 January 2019 and 31 December 2019	<u>–</u>
Carrying amount	
At 31 December 2019	<u><u>300</u></u>
At 31 December 2018	<u>–</u>

8. Debtors

	2019 £	2018 £
Trade debtors	1,111,056	896,541
Other debtors	<u>817,412</u>	<u>677,539</u>
	<u><u>1,928,468</u></u>	<u><u>1,574,080</u></u>

The debtors above include the following amounts falling due after more than one year:

	2019 £	2018 £
Other debtors	<u>94,484</u>	<u>43,582</u>

9. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	332,705	173,062
Amounts owed to group undertakings and undertakings in which the company has a participating interest	300	–
Social security and other taxes	356,873	74,012
Other creditors	<u>1,084,271</u>	<u>462,633</u>
	<u><u>1,774,149</u></u>	<u><u>709,707</u></u>

EkkoSense Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

10. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Loan notes	800,000	800,000
B Loan notes	480,000	480,000
C Loan notes	277,600	–
D Loan notes	400,000	–
Other loan note balances	1,085,487	785,317
Deferred income	716,783	99,355
	<u>3,759,870</u>	<u>2,164,672</u>

Loan notes with a value of £800,000 are due for redemption in 2021, B loan notes with a value of £480,000 are due for final redemption in 2026, C loan notes with a value of £277,600 are due for final redemption in 2026 and D loan notes with a value of £400,000 are due for final redemption in 2023.

Early redemption is permitted under the terms of the agreements. Loan notes carry interest at a rate of 10%.

Of the total value of the loan notes, £1,557,600 are secured by fixed and floating charges over the assets of the company.

Included within creditors: amounts falling due after more than one year is an amount of £303,040 (2018: £288,000) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Under the terms of the B loan note and C loan note agreements, redemption will be by quarterly instalments totalling £37,880 commencing in March 2022.

11. Summary audit opinion

The auditor's report for the year dated 28/4/20 was unqualified.

The senior statutory auditor was Robert Anderson, for and on behalf of Streets Audit LLP.

12. Directors' advances, credits and guarantees

There were no directors' advances, credits or guarantees during the year.

13. Related party transactions

During the year, the company was under the control of its directors.

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 Section 1A.