

**IP TEST LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

Rothmans Audit LLP  
Statutory Auditors  
Chartered Accountants  
Fryern House  
125 Winchester Road  
Chandlers Ford  
Hampshire  
SO53 2DR

**IP TEST LIMITED (REGISTERED NUMBER: 05822155)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

---

	<b>Page</b>
<b>Company Information</b>	1
<b>Report of the Directors</b>	2
<b>Balance Sheet</b>	4
<b>Notes to the Financial Statements</b>	5

---

**IP TEST LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**DIRECTORS:** Mr A M Middleton  
Mr R T Denyer  
Mr J R Mace  
Dr B J Mulady  
Mr D C Malaos  
Dr C McCarthy

**SECRETARY:** Mr A M Middleton

**REGISTERED OFFICE:** 40 Alan Turing Road  
Surrey Research Park  
Guildford  
Surrey  
GU2 7YF

**REGISTERED NUMBER:** 05822155 (England and Wales)

**AUDITORS:** Rothmans Audit LLP  
Statutory Auditors  
Chartered Accountants  
Fryern House  
125 Winchester Road  
Chandlers Ford  
Hampshire  
SO53 2DR

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

---

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

Mr A M Middleton  
Mr R T Denyer  
Mr J R Mace  
Dr B J Mulady  
Mr D C Malaos  
Dr C McCarthy

**REVIEW OF BUSINESS**

This year saw significant growth for the company. We expanded our market share in the wide band gap space by winning, and successfully delivering, key projects for our largest customers, who include the market leaders in power semiconductors.

The company continued accelerating our R&D programmes that leveraged advances on our newest testing platform known as Mostrak-2 ("M2"). The M2 platform's modularity and higher testing speeds allowed us to develop unique solutions for testing Silicon Carbide (SiC) and Gallium Nitride (GaN) devices.

Our Dynamic Switching Products are now capable of testing the most difficult and complex power semiconductors in development by the world's leading integrated device manufacturers. SiC and GaN devices are the highest performing semiconductors used in electric vehicles, renewable energy and consumer charging applications. These markets have expanded rapidly, due to the need for more efficient electronics and from the green energy revolution, resulting in our increase in turnover and profit.

The increase in orders has required an expansion in our footprint and engineering teams. We took additional office and engineering space in our Surrey Research Park location. Our location close Surrey University has allowed us to attract and retain the best engineering talent - one of our key competitive advantages.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**AUDITORS**

The auditors, Rothmans Audit LLP were appointed during the year and will be proposed for re-appointment at the forthcoming Annual General Meeting.

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:**

Mr A M Middleton - Director

29 August 2023

**BALANCE SHEET**  
**31 DECEMBER 2022**

		2022		2021
	Notes	£	£	as restated £
<b>FIXED ASSETS</b>				
Tangible assets	4		366,519	265,572
<b>CURRENT ASSETS</b>				
Stocks		2,866,956		1,325,558
Debtors	5	6,265,152		3,007,336
Cash at bank		<u>3,477,947</u>		<u>1,096,196</u>
		12,610,055		5,429,090
<b>CREDITORS</b>				
Amounts falling due within one year	6	<u>3,237,235</u>		<u>1,582,515</u>
<b>NET CURRENT ASSETS</b>			<u>9,372,820</u>	<u>3,846,575</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
			<u>9,739,339</u>	4,112,147
<b>CREDITORS</b>				
Amounts falling due after more than one year	7		(32,814)	(42,893)
<b>PROVISIONS FOR LIABILITIES</b>			<u>(89,526)</u>	<u>(52,160)</u>
<b>NET ASSETS</b>			<u>9,616,999</u>	<u>4,017,094</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital			9,500	9,500
Retained earnings			<u>9,607,499</u>	<u>4,007,594</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>9,616,999</u>	<u>4,017,094</u>

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 Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 29 August 2023 and were signed on its behalf by:

Mr A M Middleton - Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

---

1. **STATUTORY INFORMATION**

IP Test Limited was incorporated on 18 May 2006 under the Companies Act 1985, as a private limited company and is registered in England and Wales. The principal activity of IP Test Limited is that of manufacturing of electronic industrial process control equipment. The address of its head office and registered office is 40 Alan Turing Road, Surrey Research Park, Guildford, Surrey, England, GUY7YF.

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 presentation currency is £ sterling.

**Going concern**

The financial statements have been prepared on the going concern basis.

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

a) Leases that do not transfer substantially all of the risks and rewards of ownership is classified as an operating lease and is therefore not included in the balance sheet.

The following estimates have had the most significant effect on amounts recognised in the financial statements.

a) Stock is recognised at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all attributable costs. Stock provision is recognised for any stock the management deem obsolete. Stock is deemed obsolete if it is over 6 months old and/or greater than 6 months usage held in stock at the year end. A review of obsolete stock is carried out once a year at the year end.

**Turnover**

Turnover is derived from the manufacture and sale of electronic industrial process control equipment, and is recognised once the product is despatched.

Turnover represents net sales during the year (excluding value added tax) adjusted for accrued and deferred income where applicable.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

---

2. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

All tangible fixed assets are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

The cost of tangible fixed assets initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in a manner intended by management.

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

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**Financial instruments**

The company only has financial assets and liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and debt instruments are subsequently measured at amortised cost.

**Taxation**

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

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 balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

**Foreign currencies**

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 of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. ACCOUNTING POLICIES - continued****Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**Grants**

Grants of a revenue nature are credited to the Income Statement in the period to which they relate in accordance with the terms of the grant. Any accrued or deferred element of the grant is included in debtors or creditors as applicable.

**Research and development**

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

**Leases**

Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they have been purchased outright. The amount capitalised is their fair value of the asset concerned. The corresponding liability to the leasing company is included as an obligation under finance leases.

Depreciation on leased assets is charged to the income statement over the shorter of the lease term and their useful life. Leasing payments are treated as consisting of capital and interest elements, and interest is charged to the income statement on a straight line basis which is considered to be a reasonable approximation to a constant rate of charge on the outstanding balance.

All other leases are treated as 'operating leases' and the relevant annual rentals are charged to the income statement on a straight line basis over the lease term.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 50 (2021 - 39 ).

**4. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 January 2022	304,217	145,535	449,752
Additions	159,153	24,983	184,136
Disposals	(43,740)	(10,619)	(54,359)
At 31 December 2022	<u>419,630</u>	<u>159,899</u>	<u>579,529</u>
<b>DEPRECIATION</b>			
At 1 January 2022	137,168	47,012	184,180
Charge for year	51,777	29,022	80,799
Eliminated on disposal	(43,740)	(8,229)	(51,969)
At 31 December 2022	<u>145,205</u>	<u>67,805</u>	<u>213,010</u>
<b>NET BOOK VALUE</b>			
At 31 December 2022	<u>274,425</u>	<u>92,094</u>	<u>366,519</u>
At 31 December 2021	<u>167,049</u>	<u>98,523</u>	<u>265,572</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021 as restated
	£	£
Trade debtors	5,297,626	2,920,399
Other debtors	4,173	2,149
VAT	382,602	65,318
Prepayments and accrued income	580,751	19,470
	<u>6,265,152</u>	<u>3,007,336</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021 as restated
	£	£
Bank loans and overdrafts	9,687	6,801
Trade creditors	1,674,196	821,702
Corporation tax	1,082,981	514,981
Social security and other taxes	156,136	87,944
Accruals and deferred income	314,235	151,087
	<u>3,237,235</u>	<u>1,582,515</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2022	2021 as restated
	£	£
Bank loans - 1-2 years	9,932	9,687
Bank loans - 2-5 years	22,882	33,206
	<u>32,814</u>	<u>42,893</u>

## 8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021 as restated
	£	£
Within one year	324,827	92,500
Between one and five years	1,198,096	679,583
In more than five years	630,000	810,000
	<u>2,152,923</u>	<u>1,582,083</u>

## 9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Liz Martyn (Senior Statutory Auditor)  
for and on behalf of Rothmans Audit LLP

## 10. POST BALANCE SHEET EVENTS

Post year end but prior to the signing of these financial statements the company entered into a new tenancy agreement to facilitate the continued growth of the company. The lease lasts for three years effective from 20 March 2023 with an annual charge of £214,084.

11. **ULTIMATE CONTROLLING PARTY**

The directors do not consider there to be an ultimate controlling party.

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.