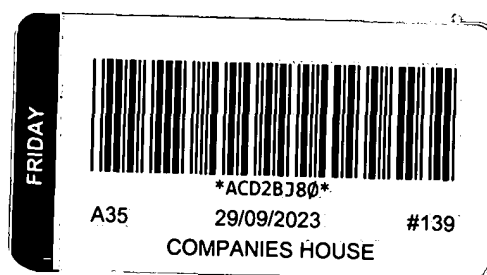


Company registration number 11506836 (England and Wales)

**IDNS HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022**



# IDNS HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D L Clayman D J Shuttleworth
<b>Company number</b>	11506836
<b>Registered office</b>	Unit 1B Springfield Court Summerfield Road Bolton BL3 2NT
<b>Auditor</b>	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR

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# IDNS HOLDINGS LIMITED

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# **IDNS HOLDINGS LIMITED**

## **STRATEGIC REPORT**

### ***FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022***

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The directors present the strategic report for the 17 month period ended 31 December 2022.

#### **Review of the business**

IDNS has navigated wider economic challenges through FY21 to FY23. The FY21 financial results delivered record revenue due to the COVID pandemic's highly inflating sales levels due to the strong demand for IT hardware products. FY22 saw a drop in sales from the highly inflated levels seen in FY21. This drop in sales occurred across the market.

Though IDNS still delivered a strong level of revenue in FY22 across all revenue lines, FY22 was the first full year of trading that IDNS operated within its new overarching strategy, as the company has moved away from its historic volatile low margin high volume sales strategy.

The initial strategy with which the company operated from inception to FY21 had delivered strong results for IDNS, but it was time for a strategic re-direction as the directors identified that its trading would become more challenging to maintain in the economic and competitive marketplace, that IDNS operates in.

IDNS strategically pivoted to a new and improved overarching strategy focusing on higher margin areas of the business, which allows further exposure to product sets, types of solutions, and specific verticals across the market, which provides IDNS with greater levers for operational and financial results.

The main strategic focus of IDNS has therefore moved away from the historic low-margin IT equipment sales and distribution strategy, and now IDNS has pivoted into the core higher-margin and higher-growth areas, as listed below.

In making this strategic pivot, IDNS has reduced the number of sales staff within the business and experienced a slight drop in turnover. This drop in turnover was planned and expected as the group pivots its strategy.

As part of its redefined strategy, IDNS is now increasing its focus on specific and stable customer profiles, such as higher and further education, healthcare, and corporate clients. IDNS has identified that this will enable higher margin opportunities and significant growth opportunities. In addition to this, this pivot is also expected to increase the sales cycle across multiple projects from weeks to months; in certain cases, this has been increased to years.

During FY22, IDNS has also made a significant investment in its staff, training, technical resources and equipment. IDNS is initially expected to benefit from this during future years. However, the investment and re-defined strategy has been implemented at an impressive rate, and the strong results of these are being noticed across IDNS in the current financial year to date.

During FY22, IDNS also invested heavily in its operations in Wales which is forecast to drive sales and deliver projects in the region. IDNS has invested in eight additional members of staff in FY22, which will be based out of the new IDNS Swansea office when it opens in Spring 2024. IDNS has made this investment to consolidate its investment and commitment in Wales, due to a wide range of opportunities coming from this region.

#### **Software**

Software performance has stayed static with our Microsoft licensing for 3 years and has seen little growth in the numbers. IDNS has successfully concentrated its wider strategy of growing recurring revenue through cloud back up and security software solutions. In FY23, IDNS has noticed a high volume of orders to date and the pipeline within this area is growing consistently, which is proving that the IDNS strategy in this area is working.

#### **High end audio visual**

IDNS have invested in expanding our technical resources, project managers and bid team are working on high end projects for key clients in the University, Healthcare and Corporate sectors. IDNS has strong experience and reputation within this area, and this area has grown over the last few years. IDNS are now seeing a sharp increase in the volume of work due to a strong record of winning framework bids and the pipeline of orders that ID has already won is extremely strong.

# **IDNS HOLDINGS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022**

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### **Professional Services & Consultancy**

IDNS was appointed to do consultancy work for the Department for Education (DfE), and since this recognition, IDNS has been successfully and consistently employed on a consultancy basis to companies and building contractors for ICT and AV across the UK.

### **Managed Services**

IDNS are targeting managed services as a significant growth area into future years. IDNS will do this by investing heavily in this area by utilising its existing expertise and experience, partnered with resources in the market to build this offering. This offering is a key growth area for IDNS will provide a strong recurring revenue stream.

### **Full ICT network solutions in new builds**

Having successfully delivered multiple new build solutions over the past few years IDNS now have a reputation as a leading company in this field. IDNS are currently engaged with multiple Main Contractors at various stages from consultancy to orders won and on-site active projects.

### **Sustainability**

Over the last few years, we have proactively implemented sustainable activities across our business. In the last 12 months we have stepped this up and committed to achieving Net Zero by 2050, with a targeted plan completed in alignment with the Science Based Targets initiative guidance for SMEs. Along with key milestones to hit in the coming years, such as 100% recycling by 2030, we have also committed to neutralising any residual emissions from our operations by permanently removing the equivalent carbon from the atmosphere. We will achieve this through certified nature-based solutions and climatic projects that support wider biodiversity.

### **Principal risks and uncertainties**

Risk and uncertainty are recognised as normal elements of doing business. The company manages its risk appetite through the application of a risk framework cycle involving:

- Identification
- Probability
- Impact
- Mitigation
- Contingency
- Review

Major risks are managed through the implementation and monitoring of policies and procedures, including:

- Treating Customers Fairly
- Supplier procurement and management
- Staff recruitment, training and competency, health and safety

The Directors monitor key performance and strategic indicators and agree actions to either mitigate against negative movements or exploit opportunities.

### **Brexit risk**

Following the UK leaving the European Union on 31 January 2020, uncertainty has increased surrounding the outlook of the UK economy. This uncertainty may ultimately impact on market confidence and as a result could potentially impact on the demand and price for products/services, which in turn may affect revenue, profit and cash flow.

## IDNS HOLDINGS LIMITED

### STRATEGIC REPORT (CONTINUED)

#### FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

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##### Key performance indicators

The key performance indicators that the group regards as important are:

	2022	2021
• Gross profit margin	18.7%	17.2%
• Current ratio	1.05	1.11

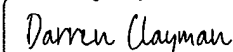
The Group's result for the period ended 31 December 2022 is a loss before tax of £379,447 (2021: £599,537 profit before tax).

##### Future Developments

IDNS will continue to build on the investment and training implemented during FY22 to continue our successful strategy growing the core higher-margin and recurring revenue opportunities, namely software and cloud services, high end audio-visual, professional services & consultancy, managed services and full ICT solutions in new-build and refurbishment projects.

On behalf of the board

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D L Clayman

Director

Date: 28/9/2023 | 1:57 AM PDT

# **IDNS HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022***

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The directors present their annual report and financial statements for the 17 month period ended 31 December 2022.

#### **Principal activities**

The principal activity of the company and group is that of the design, sale and implementation of computer and audio visual systems.

#### **Results and dividends**

The results for the 17 month period are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the 17 month period and up to the date of signature of the financial statements were as follows:

D L Clayman  
D J Shuttleworth

#### **Auditor**

The auditor, Cowgill Holloway LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

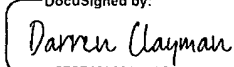
## IDNS HOLDINGS LIMITED

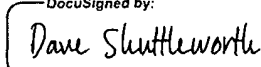
### DIRECTORS' REPORT (CONTINUED)

FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

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On behalf of the board

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D L Clayman  
Director

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.....C9776206635C4XC.....  
D J Shuttleworth  
Director

Date: 28/9/2023 | 1:57 AM PDT  
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# IDNS HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF IDNS HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of IDNS Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the 17 month period ended 31 December 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's loss for the 17 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial 17 month period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **IDNS HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF IDNS HOLDINGS LIMITED**

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##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

##### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## IDNS HOLDINGS LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF IDNS HOLDINGS LIMITED

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: Companies Act 2006, Health and Safety at Work Act and Employment Law.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Nilesh Modhvadia*

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Nilesh Modhvadia (Senior Statutory Auditor)

For and on behalf of Cowgill Holloway LLP

Date: 28/9/2023 | 10:04 AM BST

Chartered Accountants  
Statutory Auditor

Regency House  
45-53 Chorley New Road  
Bolton  
BL1 4QR

**IDNS HOLDINGS LIMITED****GROUP STATEMENT OF COMPREHENSIVE INCOME****FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022**

		Period ended 31 Dec 2022 £	Year ended 31 July 2021 £
	Notes		
Turnover	3	36,758,521	33,574,354
Cost of sales		(29,884,035)	(27,786,446)
<b>Gross profit</b>		<b>6,874,486</b>	<b>5,787,908</b>
Administrative expenses		(7,078,054)	(5,081,853)
Other operating income		-	13,052
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(203,568)</b>	<b>719,107</b>
Interest receivable and similar income	8	55	215
Interest payable and similar expenses	9	(175,934)	(119,785)
<b>(Loss)/profit before taxation</b>		<b>(379,447)</b>	<b>599,537</b>
Tax on (loss)/profit	10	(44,985)	(216,128)
<b>(Loss)/profit for the financial 17 month period</b>	<b>27</b>	<b>(424,432)</b>	<b>383,409</b>

(Loss)/profit for the financial 17 month period is all attributable to the owners of the parent company.

Total comprehensive income for the 17 month period is all attributable to the owners of the parent company.

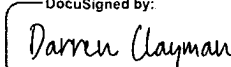
## IDNS HOLDINGS LIMITED

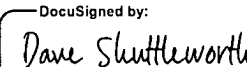
## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

		31 Dec 2022		31 July 2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	12		2,415,884		3,028,869
Tangible assets	13		762,728		831,284
			<u>3,178,612</u>		<u>3,860,153</u>
<b>Current assets</b>					
Stocks	16	37,753		249,589	
Debtors	17	4,111,426		6,552,229	
Cash at bank and in hand		657,523		3,640,759	
		<u>4,806,702</u>		<u>10,442,577</u>	
<b>Creditors: amounts falling due within one year</b>	18	(4,600,861)		(9,430,694)	
<b>Net current assets</b>			<u>205,841</u>		<u>1,011,883</u>
<b>Total assets less current liabilities</b>			<u>3,384,453</u>		<u>4,872,036</u>
<b>Creditors: amounts falling due after more than one year</b>	19		(2,541,224)		(3,650,850)
<b>Provisions for liabilities</b>					
Deferred tax liability	21	13,926		17,361	
			<u>(13,926)</u>		<u>(17,361)</u>
<b>Net assets</b>			<u><u>829,303</u></u>		<u><u>1,203,825</u></u>
<b>Capital and reserves</b>					
Called up share capital	23		200		200
Merger reserves	24		934,845		934,845
Capital contribution reserves			85,036		95,043
Profit and loss reserves	27		(190,778)		173,737
<b>Total equity</b>			<u><u>829,303</u></u>		<u><u>1,203,825</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28/9/2023 | 1:57 AM PDT and are signed on its behalf by:

DocuSigned by:  
  
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 D L Clayman  
 Director

DocuSigned by:  
  
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 D J Shuttleworth  
 Director

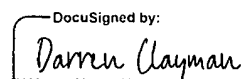
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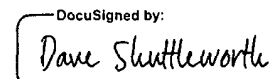
**IDNS HOLDINGS LIMITED****COMPANY BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	31 Dec 2022 £	£	31 July 2021 £	£
<b>Fixed assets</b>					
Investments	14		7,036,271		7,036,271
<b>Current assets</b>					
Debtors	17	-		318,000	
Cash at bank and in hand		5		126	
		5		318,126	
<b>Creditors: amounts falling due within one year</b>	18	(3,286,324)		(3,375,656)	
<b>Net current liabilities</b>			(3,286,319)		(3,057,530)
<b>Total assets less current liabilities</b>			3,749,952		3,978,741
<b>Creditors: amounts falling due after more than one year</b>	19		(767,167)		(985,628)
<b>Net assets</b>			2,982,785		2,993,113
<b>Capital and reserves</b>					
Called up share capital	23		200		200
Merger reserves	24		934,845		934,845
Capital contribution reserves			85,036		95,043
Profit and loss reserves	27		1,962,704		1,963,025
<b>Total equity</b>			2,982,785		2,993,113

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £60,238 (2021 - £254,271 profit).

The financial statements were approved by the board of directors and authorised for issue on 28/9/2023 | 1:57 AM PDT and are signed on its behalf by:

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 9EF5F55953A14A6...  
 D L Clayman  
 Director

DocuSigned by:  
  
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 D J Shuttleworth  
 Director

Company registration number 11506836 (England and Wales)

**IDNS HOLDINGS LIMITED****GROUP STATEMENT OF CHANGES IN EQUITY****FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022**

	Notes	Share capital £	Merger reserves £	Capital contribution reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 August 2020</b>		200	934,845	158,584	44,787	1,138,416
<b>Year ended 31 July 2021:</b>						
Profit and total comprehensive income		-	-	-	383,409	383,409
Dividends	11	-	-	-	(318,000)	(318,000)
Transfers		-	-	-	63,541	63,541
Other movements		-	-	(63,541)	-	(63,541)
<b>Balance at 31 July 2021</b>		200	934,845	95,043	173,737	1,203,825
<b>Period ended 31 December 2022:</b>						
Loss and total comprehensive income		-	-	-	(424,432)	(424,432)
Transfers		-	-	-	59,917	59,917
Other movements		-	-	(10,007)	-	(10,007)
<b>Balance at 31 December 2022</b>		200	934,845	85,036	(190,778)	829,303

**IDNS HOLDINGS LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022**

	Notes	Share capital £	Merger reserves £	Capital contribution reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 August 2020</b>		200	934,845	158,584	1,963,213	3,056,842
<b>Year ended 31 July 2021:</b>						
Profit and total comprehensive income for the year		-	-	-	254,271	254,271
Dividends	11	-	-	-	(318,000)	(318,000)
Transfers		-	-	-	63,541	63,541
Other movements		-	-	(63,541)	-	(63,541)
<b>Balance at 31 July 2021</b>		200	934,845	95,043	1,963,025	2,993,113
<b>Period ended 31 December 2022:</b>						
Profit and total comprehensive income		-	-	-	(60,238)	(60,238)
Transfers		-	-	-	59,917	59,917
Other movements		-	-	(10,007)	-	(10,007)
<b>Balance at 31 December 2022</b>		200	934,845	85,036	1,962,704	2,982,785



**IDNS HOLDINGS LIMITED****GROUP STATEMENT OF CASH FLOWS****FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	31	(1,160,151)		2,309,488	
Interest paid		(175,934)		(119,785)	
Income taxes paid		(289,021)		(176,808)	
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(1,625,106)</b>		<b>2,012,895</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(28,691)		(17,234)	
Interest received		55		215	
<b>Net cash used in investing activities</b>		<b>(28,636)</b>		<b>(17,019)</b>	
<b>Financing activities</b>					
Repayment of borrowings		(387,943)		(704,221)	
Repayment of bank loans		(889,551)		(162,972)	
Dividends paid to equity shareholders		(52,000)		(266,000)	
<b>Net cash used in financing activities</b>		<b>(1,329,494)</b>		<b>(1,133,193)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,983,236)</b>		<b>862,683</b>	
Cash and cash equivalents at beginning of 17 month period		3,640,759		2,778,076	
<b>Cash and cash equivalents at end of 17 month period</b>		<b>657,523</b>		<b>3,640,759</b>	

**IDNS HOLDINGS LIMITED****COMPANY STATEMENT OF CASH FLOWS****FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	32	499,739		715,573	
Interest paid		(59,917)		(63,541)	
<b>Net cash inflow from operating activities</b>		<b>439,822</b>		<b>652,032</b>	
<b>Investing activities</b>					
Dividends received		-		318,000	
<b>Net cash (used in)/generated from investing activities</b>			-		318,000
<b>Financing activities</b>					
Repayment of borrowings		(387,943)		(704,221)	
Dividends paid to equity shareholders		(52,000)		(266,000)	
<b>Net cash used in financing activities</b>		<b>(439,943)</b>		<b>(970,221)</b>	
<b>Net decrease in cash and cash equivalents</b>			<b>(121)</b>		<b>(189)</b>
Cash and cash equivalents at beginning of 17 month period			126		315
<b>Cash and cash equivalents at end of 17 month period</b>			<b>5</b>		<b>126</b>

# **IDNS HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022**

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#### **1 Accounting policies**

##### **Company information**

IDNS Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 1B Springfield Court, Summerfield Road, Bolton, BL3 2NT.

The group consists of IDNS Holdings Limited and all of its subsidiaries.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated group financial statements consist of the financial statements of the parent company IDNS Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Information and Data Networks Supplies Limited and Information and Data Networks Supplies Holdings Limited have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows for the prior year include the results and cash flows of Information and Data Networks Supplies Limited and Information and Data Networks Supplies Holdings Limited for the nine month period from its acquisition on 29 October 2018. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property	2% per annum straight line.
Leasehold improvements	10% per annum straight line.
Fixtures and fittings	20% per annum straight line.
Computer equipment	33% per annum straight line.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.9 Cash and cash equivalents

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

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### 1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 transaction 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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **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 group 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 group after deducting all of its liabilities.

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.12 Taxation

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

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.17 Going concern

These financial statements are prepared on the going concern basis as the directors have a reasonable expectation that the group will continue in operational existence for the foreseeable future. After date performance has been strong and the directors have prepared forecasts which demonstrate that the Group can settle its liabilities as and when they fall due.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key Estimates

##### Bad Debt Provision

The bad debt provision is calculated following a review of older outstanding balances on a customer by customer basis. The provision as at 31 December 2022 amounted to £1,002 (2021 : £1,002).

### 3 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Supply of computer products and services	36,758,521	33,574,354
	<u>36,758,521</u>	<u>33,574,354</u>
<b>Turnover analysed by geographical market</b>		
United Kingdom	36,758,521	33,574,354
	<u>36,758,521</u>	<u>33,574,354</u>

**IDNS HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022**

<b>3 Turnover and other revenue</b>		<b>(Continued)</b>	
	<b>2022</b>	<b>2021</b>	
	<b>£</b>	<b>£</b>	
<b>Other revenue</b>			
Interest income	55	215	
Grants received	-	13,052	
	<u>          </u>	<u>          </u>	
<b>4 Operating (loss)/profit</b>			
	<b>2022</b>	<b>2021</b>	
	<b>£</b>	<b>£</b>	
Operating (loss)/profit for the period is stated after charging/(crediting):			
Government grants	-	(13,052)	
Depreciation of owned tangible fixed assets	97,247	74,316	
Amortisation of intangible assets	612,985	432,695	
Operating lease charges	165,371	102,620	
	<u>          </u>	<u>          </u>	
<b>5 Auditor's remuneration</b>			
	<b>2022</b>	<b>2021</b>	
	<b>£</b>	<b>£</b>	
Fees payable to the company's auditor and associates:			
<b>For audit services</b>			
Audit of the financial statements of the group and company	-	-	
Audit of the financial statements of the company's subsidiaries	22,521	14,000	
	<u>          </u>	<u>          </u>	

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the 17 month period was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Administration and selling	74	69	2	3

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	4,851,180	3,643,634	-	-
Healthcare costs	40,858	30,075	-	-
Pension costs	175,635	71,105	-	-
	5,067,673	3,744,814	-	-

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	365,998	257,293

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	208,712	135,732

### 8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	55	215

	2022 £	2021 £
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	55	215

**IDNS HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022****9 Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	95,257	30,141
Interest on invoice finance arrangements	20,760	26,103
Other interest on financial liabilities	59,917	63,541
	<u>175,934</u>	<u>119,785</u>

**10 Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	70,247	222,457
Adjustments in respect of prior periods	(21,827)	-
Total current tax	<u>48,420</u>	<u>222,457</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,342	(6,329)
Changes in tax rates	(6,777)	-
Total deferred tax	<u>(3,435)</u>	<u>(6,329)</u>
Total tax charge	<u>44,985</u>	<u>216,128</u>

The actual charge for the 17 month period can be reconciled to the expected (credit)/charge for the 17 month period based on the profit or loss and the standard rate of tax as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
(Loss)/profit before taxation	<u>(379,447)</u>	<u>599,537</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(72,095)	113,912
Tax effect of expenses that are not deductible in determining taxable profit	20,495	15,966
Permanent capital allowances in excess of depreciation	(3,776)	-
Depreciation on assets not qualifying for tax allowances	5,720	4,038
Amortisation on assets not qualifying for tax allowances	116,468	82,212
Under/(over) provided in prior years	(21,827)	-
Taxation charge	<u>44,985</u>	<u>216,128</u>

**IDNS HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022****11 Dividends**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Recognised as distributions to equity holders:		
Interim paid	-	318,000

**12 Intangible fixed assets**

<b>Group</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 August 2021 and 31 December 2022	4,326,954
<b>Amortisation and impairment</b>	
At 1 August 2021	1,298,085
Amortisation charged for the 17 month period	612,985
At 31 December 2022	1,911,070
<b>Carrying amount</b>	
At 31 December 2022	2,415,884
At 31 July 2021	3,028,869

The company had no intangible fixed assets at 31 December 2022 or 31 July 2021.

**IDNS HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022****13 Tangible fixed assets**

Group	Leasehold property £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 August 2021	776,906	70,441	6,137	136,740	990,224
Additions	-	-	22,005	6,686	28,691
Disposals	-	-	(104,004)	(116,710)	(220,714)
At 31 December 2022	776,906	70,441	(75,862)	26,716	798,201
<b>Depreciation and impairment</b>					
At 1 August 2021	54,764	21,881	3,857	78,438	158,940
Depreciation charged in the 17 month period	28,214	14,001	3,465	51,567	97,247
Eliminated in respect of disposals	-	-	(104,004)	(116,710)	(220,714)
At 31 December 2022	82,978	35,882	(96,682)	13,295	35,473
<b>Carrying amount</b>					
At 31 December 2022	693,928	34,559	20,820	13,421	762,728
At 31 July 2021	722,142	48,560	2,280	58,302	831,284

The company had no tangible fixed assets at 31 December 2022 or 31 July 2021.

**14 Fixed asset investments**

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	7,036,271	7,036,271

**Movements in fixed asset investments**  
**Company**

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 August 2021 and 31 December 2022	7,036,271
<b>Carrying amount</b>	
At 31 December 2022	7,036,271
At 31 July 2021	7,036,271

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Information and Data Networks Supplies Limited	England and Wales	Ordinary	-	100.00
Information and Data Networks Supplies Holdings Limited	England and Wales	Ordinary	100.00	-

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Information and Data Networks Supplies Limited	3,457,086	248,791
Information and Data Networks Supplies Holdings Limited	1,023,708	-

### 16 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	37,753	249,589	-	-

### 17 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	3,861,409	6,473,175	-	-
Corporation tax recoverable	9,753	-	-	-
Amounts owed by group undertakings	-	-	-	318,000
Prepayments and accrued income	240,264	79,054	-	-
	4,111,426	6,552,229	-	318,000

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

#### 18 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	20	629,348	627,734	-	-
Loan notes	20	212,610	382,092	212,610	382,092
Trade creditors		3,192,685	7,211,665	-	-
Amounts owed to group undertakings		-	-	3,073,714	2,675,564
Corporation tax payable		-	230,848	-	-
Other taxation and social security		269,818	574,690	-	-
Dividends payable		-	52,000	-	52,000
Other creditors		-	266,621	-	266,000
Accruals and deferred income		296,400	85,044	-	-
		<u>4,600,861</u>	<u>9,430,694</u>	<u>3,286,324</u>	<u>3,375,656</u>

The bank loans are secured by fixed and floating charges over the assets of the Group.

#### 19 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	20	1,774,057	2,665,222	-	-
Loan notes	20	767,167	985,628	767,167	985,628
		<u>2,541,224</u>	<u>3,650,850</u>	<u>767,167</u>	<u>985,628</u>

#### 20 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	2,403,405	3,292,956	-	-
Loan notes	979,777	1,367,720	979,777	1,367,720
	<u>3,383,182</u>	<u>4,660,676</u>	<u>979,777</u>	<u>1,367,720</u>
Payable within one year	841,958	1,009,826	212,610	382,092
Payable after one year	<u>2,541,224</u>	<u>3,650,850</u>	<u>767,167</u>	<u>985,628</u>

The long-term bank loans are secured by fixed and floating charges over the assets of the Group.



# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

### 21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	<b>Liabilities 2022 £</b>	<b>Liabilities 2021 £</b>
<b>Group</b>		
Accelerated capital allowances	13,926	17,361

The company has no deferred tax assets or liabilities.

	<b>Group 2022 £</b>	<b>Company 2022 £</b>
<b>Movements in the 17 month period:</b>		
Liability at 1 August 2021	17,361	-
Charge to profit or loss	3,342	-
Effect of change in tax rate - profit or loss	(6,777)	-
Liability at 31 December 2022	13,926	-

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

### 22 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	175,635	71,105

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

### 23 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary "A" shares of 1p each	7,600	7,600	76	76
Ordinary "B" shares of 1p each	7,600	7,600	76	76
Ordinary "C" shares of 1p each	2,800	2,800	28	28
Ordinary "D" shares of 1p each	1,000	1,000	10	10
Ordinary "E" shares of 1p each	625	625	6	6
Ordinary "F" shares of 1p each	250	250	3	3
Ordinary "G" shares of 1p each	125	125	1	1
	<u>20,000</u>	<u>20,000</u>	<u>200</u>	<u>200</u>

### 24 Other reserves

	Merger reserve	Capital contribution reserve	Total
Group	£	£	£
As at 1 August 2020	934,845	158,584	1,093,429
Release of fair value interest expense	-	(63,541)	(63,541)
At the beginning of the 17 month period	934,845	95,043	1,029,888
Release of fair value interest expense	-	(10,007)	(10,007)
At the end of the current 17 month period	<u>934,845</u>	<u>85,036</u>	<u>1,019,881</u>
Company	£	£	£
As at 1 August 2020	934,845	158,584	1,093,429
Release of fair value interest expense	-	(63,541)	(63,541)
At the beginning of the 17 month period	934,845	95,043	1,029,888
Release of fair value interest expense	-	(10,007)	(10,007)
At the end of the current 17 month period	<u>934,845</u>	<u>85,036</u>	<u>1,019,881</u>

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

#### 24 Other reserves

(Continued)

The merger reserve relates to the excess consideration over the nominal value of the issued shares on the group reorganisation.

The capital contribution reserve relates to interest on the loan notes which are discounted at a market rate of interest in accordance with the accounting requirements of FRS102.

#### 25

	2022 £	2021 £
Group and company		
At the beginning and end of the 17 month period	934,845	934,845

The merger reserve relates to the excess consideration over the nominal value of the issued shares on the group reorganisation.

The capital contribution reserve relates to interest on the loan notes which are discounted at a market rate of interest in accordance with the accounting requirements of FRS102.

#### 26

	2022 £	2021 £
Group and company		
At the beginning of the 17 month period	95,043	158,584
Other movements	(10,007)	(63,541)
At the end of the 17 month period	85,036	95,043

#### 27 Profit and loss reserves

	Group 2022 £	2021 £	Company 2022 £	2021 £
At the beginning of the 17 month period	173,737	44,787	1,963,025	1,963,213
Profit/(loss) for the 17 month period	(424,432)	383,409	(60,238)	254,271
Dividends	-	(318,000)	-	(318,000)
Transfer to reserves	59,917	63,541	59,917	63,541
At the end of the 17 month period	(190,778)	173,737	1,962,704	1,963,025

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

### 28 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	67,840	112,720	-	-
Between two and five years	85,000	88,940	-	-
	<u>152,840</u>	<u>201,660</u>	<u>-</u>	<u>-</u>

**IDNS HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022****29 Related party transactions**

Included in creditors amounts falling due within one year are loans from the shareholders totalling £212,610 (2021: £382,092).

Included in creditors amounts falling due in more one year are loans from shareholders totalling £767,167 (2021: £985,628).

The loans notes are interest free and are stated at the present value of the future payments which are discounted at a market rate of interest in accordance with the accounting requirements of FRS102.

**30 Controlling party**

The company is under the control of Mr D L Clayman and Mr D J Shuttleworth by virtue of a majority shareholding.

**31 Cash (absorbed by)/generated from group operations**

	2022 £	2021 £
(Loss)/profit for the 17 month period after tax	(424,432)	383,409
<b>Adjustments for:</b>		
Taxation charged	44,985	216,128
Finance costs	175,934	119,785
Investment income	(55)	(215)
Amortisation and impairment of intangible assets	612,985	432,695
Depreciation and impairment of tangible fixed assets	97,247	74,316
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	211,836	(221,946)
Decrease/(increase) in debtors	2,450,556	(1,752,145)
(Decrease)/increase in creditors	(4,329,207)	3,057,461
<b>Cash (absorbed by)/generated from operations</b>	<u>(1,160,151)</u>	<u>2,309,488</u>

**32 Cash generated from operations - company**

	2022 £	2021 £
(Loss)/profit for the 17 month period after tax	(60,238)	254,271
<b>Adjustments for:</b>		
Finance costs	59,917	63,541
Investment income	-	(318,000)
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	318,000	(118,000)
Increase in creditors	182,060	833,761
<b>Cash generated from operations</b>	<u>499,739</u>	<u>715,573</u>

# IDNS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 17 MONTH PERIOD ENDED 31 DECEMBER 2022

### 33 Analysis of changes in net debt - group

	1 August 2021	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	3,640,759	(2,983,236)	657,523
Borrowings excluding overdrafts	(4,660,676)	1,277,494	(3,383,182)
	<u>(1,019,917)</u>	<u>(1,705,742)</u>	<u>(2,725,659)</u>

### 34 Analysis of changes in net debt - company

	1 August 2021	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	126	(121)	5
Borrowings excluding overdrafts	(1,367,720)	387,943	(979,777)
	<u>(1,367,594)</u>	<u>387,822</u>	<u>(979,772)</u>