

I.P. Integration Group Limited

Registered number: 04211271

Annual Report

For the year ended 30 September 2021

I.P. INTEGRATION GROUP LIMITED

COMPANY INFORMATION

Directors	G R Christie L Fradin D J Glasgow B J Prentis S S Sanghera
Company secretary	J O Hutchings
Registered number	04211271
Registered office	Integration House, Turnhams Green Business Park Pincent's Lane Calcot Reading RG31 4UH
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS

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**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Introduction

The directors present their strategic report for the year ended 30 September 2021.

Business review

The company's principal activity during the year was that of a holding company.

The directors are pleased to report that I.P. Integration Limited, the group's principal trading subsidiary, had a successful year with strong growth shown for revenue, gross profit and operating profit despite the ongoing challenges of Covid 19 being in place for the full year. The strategy of the company to move from one off products & services sales to a recurring revenue model built around CCaaS continues to be successful and has enabled the company to accelerate the transition to cloud services enabling our customers to benefit from rapid deployment of remote working solutions whilst providing the company with a launch platform for future growth.

Key performance indicators

Given the nature of the business the company's directors are of the opinion that analysis using numerous key performance indicators is not necessary for an understanding of the development, performance or position of the business.

As a holding company, the value of the investments are ultimately derived from the financial performance and position of the trading subsidiaries. The financial statements for I.P. Integration Limited, the Group's principal trading subsidiary, showed net assets of £2,675,811 (2020: £2,119,984) as at 30 September 2021 and a profit before taxation of £1,248,947 (30 September 2020: profit of £352,151) for the year ended 30 September 2021. The directors consider that this performance was satisfactory.

Future developments

The directors do not anticipate any significant developments for the company during the coming year. The company is expected to continue as a holding company for the foreseeable future.

Principal risks and uncertainties

The company's activity as a holding company exposes it to a number of financial risks, the most significant of which is the possible impairment in the carrying value of its investments. These carrying values are reviewed by management each year and are compared to future discounted cash flows of the relevant investments. Credit risk, cash flow risk and liquidity risk do not represent significant issues as the company does not trade. The company regularly reviews its financial exposure and seeks to limit the adverse effects on its financial performance by monitoring levels of debt finance and related finance costs.

COVID-19 and Brexit

At the time of writing the report, the impact of COVID-19 and Brexit, both on our staff and our trading is under constant review. We have implemented various measures and initiatives in line with UK Government guidelines to help protect our staff, customers, supply lines and partners. We expect that whilst the outlook for the first half of the year remains unclear, we anticipate that by the second half of FY21, COVID-19 may well be under control and the impact of new Brexit transitional changes taking effect on 1st Jan 2022 will be known. However, despite the uncertainty around the first half of FY21 our recurring revenue streams constitutes 85% of our total revenues and we anticipate that this will remain mostly unaffected as it is supporting critical services for our clients and is contracted income.

I.P. INTEGRATION GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

This report was approved by the board and signed on its behalf by:

G R Christie
Director

Date: 28 June 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The directors present their report and the financial statements for the year ended 30 September 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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 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 to 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.

Principal activity

The company's principal activity during the year was that of a holding company.

For the year ended 30 September 2021, the company is exempt from the requirement to prepare consolidated financial statements and therefore audited single entity financial statements are prepared, whereas for the year ended 30 September 2020 audited consolidated financial statements were required.

Results and dividends

The profit for the year, after taxation, amounted to £658,500 (2020: profit of £150,000).

The directors have recommended the payment of dividends for the year of £177,500 (2020: £150,000).

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Directors

The directors who served during the year were:

G R Christie
L Fradin
D J Glasgow
B J Prentis
C M Prentis (resigned 29 January 2021)
Adventure Finance Limited (resigned 29 January 2021)
S S Sanghera (appointed 20 May 2021)

Going concern

The directors consider that the company has adequate resources to continue in operational existence for the foreseeable future. This is based on working capital held, contractual relationships with customers and forecast trading conditions. Potential sources of uncertainty noted by the directors include the withdrawal of the United Kingdom from the European Union, and Coronavirus and the COVID-19 pandemic. The directors are however confident that these uncertainties are appropriately managed and addressed within the business.

Future developments

The company has made the significant transformation within the last 24 months from an organisation providing one off on-premises solutions with perpetual software licenses delivering 60% recurring revenues, to today, a cloud-based services organisation providing Contact Centers as a Service (CCaaS) and Software as a Service (SaaS) with recurring revenues of 83%.

This transition from non-recurring to recurring revenue streams has impacted both top line and bottom-line performance in the short term for FY19 and FY20 but does now place the Group in an excellent position to exploit the continued move towards cloud-based solutions and services.

At the time of writing this report the financial forecasts for FY21 show continued growth again for overall revenue, recurring revenues and operating profit highlighting the success of this strategic move.

We are confident that even with the uncertainties surrounding both Covid-19 and Brexit that IPI is well placed to thrive and to deliver 'Exceptional Customer Contact' for our customers whilst continuing to strive to be an exceptional place to work.

Qualifying third party indemnity provisions

The directors benefit from a qualifying indemnity provision in the form permitted by the Companies Act (Audit, Investigations and Community Enterprise) 2004 ("CAICE") new sections 309A, 309B and 309C in respect of certain third party actions against directors. No claim or notice of claim in respect of these indemnities has been received in the year.

Matters covered in the Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1 to 2. These matters relate to principal risks and uncertainties.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

G R Christie

Director

Date: 28 June 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF I.P. INTEGRATION GROUP LIMITED

Opinion

We have audited the financial statements of I.P. Integration Group Limited (the 'company') for the year ended 30 September 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 30 September 2021 and of its profit for the year 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF I.P. INTEGRATION GROUP LIMITED

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year 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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF I.P. INTEGRATION GROUP LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 either the directors intend to liquidate the 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.

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. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF I.P. INTEGRATION GROUP LIMITED

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.

Gerhard Bonthuys (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor

6 Sutton Plaza
Sutton Court Road
Sutton

Surrey
SM1 4FS

29 June 2022

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Administrative expenses		(9,040)	(10,850)
Operating loss		<u>(9,040)</u>	<u>(10,850)</u>
Income from fixed assets investments		667,540	160,850
Profit before taxation		<u>658,500</u>	<u>150,000</u>
Tax on profit	8	-	-
Profit for the financial year		<u><u>658,500</u></u>	<u><u>150,000</u></u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>658,500</u></u>	<u><u>150,000</u></u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 13 to 21 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Note	2021	2020
		£	£
Fixed assets			
Investments	10	86,685	86,685
		<u>86,685</u>	<u>86,685</u>
Current assets			
Debtors: amounts falling due within one year	11	416,659	415,096
Cash and cash equivalents		74	67,584
		<u>416,733</u>	<u>482,680</u>
Creditors: amounts falling due within one year	12	(12,418)	(78,365)
Net current assets		<u>404,315</u>	<u>404,315</u>
Total assets less current liabilities		<u>491,000</u>	<u>491,000</u>
Creditors: amounts falling due after more than one year	13	-	(481,000)
Net assets		<u><u>491,000</u></u>	<u><u>10,000</u></u>
Capital and reserves			
Called up share capital		3,062	3,062
Capital redemption reserve		487,938	6,938
		<u><u>491,000</u></u>	<u><u>10,000</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

G R Christie
Director

Date: 28 June 2022

The notes on pages 13 to 21 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2019 (as previously stated)	484,062	6,938	-	491,000
Prior year adjustment	(481,000)	-	-	(481,000)
At 1 October 2019 (as restated)	<u>3,062</u>	<u>6,938</u>	<u>-</u>	<u>10,000</u>
Profit for the year	-	-	150,000	150,000
Total comprehensive income for the year	-	-	150,000	150,000
Dividends: Equity capital	-	-	(150,000)	(150,000)
At 1 October 2020	<u>3,062</u>	<u>6,938</u>	<u>-</u>	<u>10,000</u>
Profit for the year	-	-	658,500	658,500
Total comprehensive loss for the year	-	-	658,500	658,500
Dividends: Equity capital	-	-	(177,500)	(177,500)
Transfer to/from profit and loss account	-	481,000	(481,000)	-
Total transactions with owners	-	481,000	(658,500)	(177,500)
At 30 September 2021	<u><u>3,062</u></u>	<u><u>487,938</u></u>	<u><u>-</u></u>	<u><u>491,000</u></u>

The notes on pages 13 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. General information

I.P. Integration Group Limited (the "company") is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Integration House, Turnhams Green Business Park, Reading, Berkshire, RG31 4UH.

The company's principal activity during the year was that of a holding company.

For the year ended 30 September 2021, the company is exempt from the requirement to prepare consolidated financial statements and therefore audited single entity financial statements are prepared, whereas for the year ended 30 September 2020 audited consolidated financial statements were required.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of I.P. Integration Holdings Limited as at 30 September 2021 and these financial statements may be obtained from www.companieshouse.gov.uk.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.4 Going concern

The directors consider that the company has adequate resources to continue in operational existence for the foreseeable future. This is based on working capital held, contractual relationships with customers and forecast trading conditions. Potential sources of uncertainty noted by the directors include the withdrawal of the United Kingdom from the European Union, and Coronavirus and the COVID-19 pandemic. The directors are however confident that these uncertainties are appropriately managed and addressed within the business.

2.5 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.10 Financial instruments

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.11 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

3.1 Critical judgements in applying the company's accounting policies

The directors do not consider there to be any critical judgements.

3.2 Key sources of estimation uncertainty

The directors do not consider there to be key assumptions concerning the future, and other sources of estimation uncertainty, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>6,000</u>	<u>4,000</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

5. Employees

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

	2021 No.	2020 No.
	<u>5</u>	<u>6</u>
Directors		

6. Directors' remuneration

The directors did not receive any remuneration for their services to the company during the year (2020: £nil).

7. Income from investments

	2021 £	2020 £
Income from fixed asset investments	667,540	160,850
	<u>667,540</u>	<u>160,850</u>

8. Taxation

	2021 £	2020 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19 %). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>658,500</u>	<u>150,000</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	125,115	28,500
Effects of:		
Exempt distribution income	(126,833)	(30,562)
Remeasurement of deferred tax for changes in tax rates	(1,193)	-
Movement in deferred tax not recognised	2,911	2,062
Total tax charge for the year	<u><u>-</u></u>	<u><u>-</u></u>

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

9. Dividends

	2021 £	2020 £
Ordinary		
Interim dividends	177,500	150,000
	<u><u>177,500</u></u>	<u><u>150,000</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

10. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 October 2020	86,685
At 30 September 2021	<u>86,685</u>
Net book value	
At 30 September 2021	<u><u>86,685</u></u>
At 30 September 2020	<u><u>86,685</u></u>
Subsidiary undertakings	

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
IP Professional Services Limited	Integration House Turnhams Green Business Park, Pincent Lane, Calcot, Reading, Berkshire, RG31 4UH	Support of telephone systems	ordinary	100 %
Acenseo Limited*	Integration House Turnhams Green Business Park, Pincent Lane, Calcot, Reading, Berkshire, RG31 4UH	Dormant	ordinary	100 %
Managed Networks Limited*	2nd Floor 197 City Road, London, England, EC1V 1JN	Supplying computer hardware, software and computer consultancy services	ordinary	100 %
Rapidly MN Holdco Limited*	Unit 4, Turnhams Green, Pincent Lane, Reading, United Kingdom, RG31 4UH	Dormant	ordinary	100 %
I.P. Integration Limited	Integration House Turnhams Green Business Park, Pincent Lane, Calcot, Reading, Berkshire, RG31 4UH	Sale and support of telephone systems	ordinary	100 %

*The shares of Managed Networks Limited are 100% held by Rapidly MN Holdco Limited. Rapidly MN Holdco Limited and Acenseo Limited are 100% owned by I.P. Integration Limited.

Rapidly MN Holdco Limited and Managed Networks Limited each filed solvency statements dated 21 September 2021 to reduce their share capital to £1 each.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. Debtors

	2021	2020
	£	£
Amounts owed by group undertakings	406,659	405,096
Other debtors	10,000	10,000
	<u>416,659</u>	<u>415,096</u>

All amounts owed by group undertakings are unsecured, interest free and repayable on demand.

12. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertakings	-	67,513
Other creditors	2	2
Accruals and deferred income	12,416	10,850
	<u>12,418</u>	<u>78,365</u>

All amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The company's assets are secured by a fixed and floating charge as security for the debt of I.P. Integration Holdings Limited, its parent company.

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

	2021	2020
	£	£
Share capital treated as debt (see note 14)	-	481,000
	<u>-</u>	<u>481,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

14. Called up share capital

	2021 £	2020 £
306,194 (2020: 87,314) Ordinary shares of £0.01 each	3,062	873
Nil (2020: 5,000) A1 Ordinary shares of £0.01 (2020: £0.10) each	-	500
Nil (2020: 5,000) A2 Ordinary shares of £0.01 (2020: £0.10) each	-	500
Nil (2020: 5,000) B1 Ordinary shares of £0.01 (2020: £0.10) each	-	500
Nil (2020: 5,000) B2 Ordinary shares of £0.01 (2020: £0.10) each	-	500
Nil (2020: 18,880) C Ordinary shares of £0.01 each	-	189
	<u>3,062</u>	<u>3,062</u>

The Ordinary share capital class holds, collectively the right to 90% of the total voting rights of all issued share capital. Each ordinary share carries the right to a single vote and a right to a pro rata share in any declared dividend.

Each A1 and A2 share capital class holds, collectively the right to 5% of the total voting rights of all issued share capital at any time, with such rights being exercised by a majority. Each ordinary share carries the right to a single vote and no right to an annual dividend.

Each B1, B2 and C share capital class has no voting rights. Each share carries the right to a single vote and no right to an annual dividend.

During the year, A1, A2, B1 and B2 ordinary shares were sub divided into £0.01 by special resolution. The 50,000 each of A1, A2, B1 and B2 and 18,880 C ordinary shares were then all re-designated as 218,880 ordinary shares.

Shares classified as debt

	2021 £	2020 £
Allotted, called up and fully paid		
Nil (2020: 481,000) Preference shares of £1 each	<u>-</u>	<u>481,000</u>

The preference share capital class do not hold any voting rights, but are entitled annually to a fixed, non cumulative dividend at a rate of 6% of their redemption value.

The shares were redeemed at par as a result of group restructuring.

15. Related party transactions

The company has taken advantage of exemption, available under Section 33 'Related Party Disclosures' not to disclose other transactions with wholly owned members of the group.

16. Post balance sheet events

There have been no significant events affecting the company since the year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

17. Controlling party

From 29 January 2021, the immediate and ultimate parent company is I.P. Integration Holdings Limited. It owns 100% of the share capital of I.P. Integration Group Limited and is the smallest and the largest group into which the company's financial statements are consolidated. Copies of the ultimate parent company's financial statements are publicly available and can be obtained from Integration House, Turnhams Green Business Park, Pincent's Lane, Calcot, Reading, RG31 4UH.

The ultimate controlling party is Mr B. J. Prentis by virtue of his beneficial shareholding in I.P. Integration Holdings Limited, the ultimate parent company of the group.

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