Registered number: 08964733

IVXS UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

IVXS UK LIMITED

COMPANY INFORMATION

Directors	T B Bunting C K Delingpole C C Pilling J Hammer
Registered number	08964733
Registered office	90 Long Acre 4th Floor London WC2E 9RA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 30 Finsbury Square London EC2A 1AG
Bankers	Barclays Bank Plc. 2 Triton Square Churchill Place Leicestershire LE87 2BB

IVXS UK LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the consolidated 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), 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 and profit or loss of the Company and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company continued to be that of the provision of IT services.

Directors

The directors who served during the year were:

T B Bunting
C K Delingpole
C C Pilling
J Hammer

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Going concern

The company's financial statements have been prepared on a going concern basis. The directors are confident that the funding received in July 2020 and the debt facilities available to the company will be sufficient in enabling the company to continue in operational existence for the foreseeable future. In assessing the going concern the directors have produced cashflow forecasts taking into account the likely future developments of the company and have a reasonable expectation that the company will have adequate resources to meet its obligations as they fall due for a minimum of 12 months from the date of approval of these financial statements.

Post balance sheet events

On 16th July 2020, the Group entered into a subscription agreement which provided $49,999,987 in exchange for the allotment and issuance of preference shares.

Auditor

The auditor, Grant Thornton UK LLP, were appointed during the year, and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

Charles Delingpole

C K Delingpole
Director

Date: 15 September 2020

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IVXS UK LIMITED

Opinion

We have audited the financial statements of IVXS UK Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated Statement of cash flows, the Consolidated and Company 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 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 of the parent Company's affairs as at 31 March 2020 and of the Group's loss 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 Group and the 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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

GrantThornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IVXS UK LIMITED (CONTINUED)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from Brexit and Covid-19, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Responsibilities of directors for the financial statements

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Group strategic report.

Auditor's responsibilities for the audit of the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 Group's and 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 Group or 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.

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.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IVXS UK LIMITED (CONTINUED)

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.

Grant Thornton UK LLP

Anthony Thomas
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

15 September 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	*Unaudited* *2019* *£*
Turnover	4	**10,550,653**	*5,980,628*
Cost of sales		**(1,514,917)**	*(399,001)*
Gross profit		**9,035,736**	*5,581,627*
Administrative expenses		**(25,601,576)**	*(13,372,881)*
Operating loss	5	**(16,565,840)**	*(7,791,254)*
Interest receivable and similar income		**4,969**	*-*
Interest payable		**(178,355)**	*(69,016)*
Loss before taxation		**(16,739,226)**	*(7,860,270)*
Tax on loss	8	**2,721,302**	*1,999,083*
Loss for the financial year		**(14,017,924)**	*(5,861,187)*
Total comprehensive income for the year		**(14,017,924)**	*(5,861,187)*

The notes on pages 14 to 30 form part of these financial statements.

IVXS UK LIMITED
REGISTERED NUMBER:08964733

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note		2020 £		*Unaudited 2019 £*
Fixed assets					
Tangible assets	9		**671,956**		*215,665*
			671,956		*215,665*
Current assets					
Debtors	11	**8,618,236**		*4,583,784*	
Cash at bank and in hand	12	**6,230,635**		*19,008,276*	
		14,848,871		*23,592,060*	
Creditors: amounts falling due within one year	13	**(9,744,843)**		*(5,664,879)*	
Net current assets			**5,104,028**		*17,927,181*
Total assets less current liabilities			**5,775,984**		*18,142,846*
Creditors: amounts falling due after more than one year	14		**(1,010,043)**		*(1,027,778)*
Net assets			**4,765,941**		*17,115,068*
Capital and reserves					
Called up share capital	15		**4**		*4*
Share premium account	16		**28,673,932**		*27,578,144*
Foreign exchange reserve	16		**(52,570)**		*(7,753)*
Other reserves	16		**2,042,818**		*1,424,992*
Profit and loss account	16		**(25,898,243)**		*(11,880,319)*
Shareholders' funds			**4,765,941**		*17,115,068*

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

Charles Delingpole

C K Delingpole
Director
Date: 15 September 2020

The notes on pages 14 to 30 form part of these financial statements.

IVXS UK LIMITED
REGISTERED NUMBER:08964733

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note		2020 £		*Unaudited 2019 £*
Fixed assets					
Tangible assets	9		**571,998**		*181,688*
Investments	10		**35**		*35*
			572,033		*181,723*
Current assets					
Debtors	11	**10,534,678**		*5,201,969*	
Cash at bank and in hand	12	**5,348,209**		*18,678,391*	
		15,882,887		*23,880,360*	
Creditors: amounts falling due within one year	13	**(7,077,306)**		*(4,522,386)*	
Net current assets			**8,805,581**		*19,357,974*
Total assets less current liabilities			**9,377,614**		*19,539,697*
Creditors: amounts falling due after more than one year	14		**(1,010,043)**		*(1,027,778)*
Net assets			**8,367,571**		*18,511,919*
Capital and reserves					
Called up share capital	15		**4**		*4*
Share premium account	16		**28,673,932**		*27,578,144*
Share option reserve	16		**2,042,818**		*1,424,992*
Profit and loss account	16		**(22,349,183)**		*(10,491,221)*
Shareholders' funds			**8,367,571**		*18,511,919*

The company has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £11,629,294 (2019 - £5,128,521).
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

Charles Delingpole
C K Delingpole
Director
Date: 15 September 2020

The notes on pages 14 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital	Share premium account	Foreign exchange reserve	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2019	4	27,578,144	(7,753)	1,424,992	(11,880,319)	17,115,068
Comprehensive income for the year						
Loss for the year	-	-	-	-	(14,017,924)	(14,017,924)
Total comprehensive income for the year	-	-	-	-	(14,017,924)	(14,017,924)
Share issuance	-	1,095,788	-	-	-	1,095,788
Share based payments	-	-	-	617,826	-	617,826
Foreign exchange reserve movement	-	-	(44,817)	-	-	(44,817)
Total transactions with owners	-	1,095,788	(44,817)	617,826	-	1,668,797
At 31 March 2020	4	28,673,932	(52,570)	2,042,818	(25,898,243)	4,765,941

The notes on pages 14 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital	Share premium account	Foreign exchange reserve	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2018	3	6,349,972	-	853,268	(6,019,132)	1,184,111
Comprehensive income for the year						
Loss for the year	-	-	-	-	(5,861,187)	(5,861,187)
Total comprehensive income for the year	-	-	-	-	(5,861,187)	(5,861,187)
Share based payments	1	21,228,172	-	571,724	-	21,799,897
Foreign exchange reserve movement	-	-	(7,753)	-	-	(7,753)
Total transactions with owners	1	21,228,172	(7,753)	571,724	-	21,792,144
At 31 March 2019 (unaudited)	4	27,578,144	(7,753)	1,424,992	(11,880,319)	17,115,068

The notes on pages 14 to 30 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital	Share premium account	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2019	4	27,578,144	1,424,992	(10,491,221)	18,511,919
Comprehensive income for the year					
Loss for the year	-	-	-	(11,857,962)	(11,857,962)
Total comprehensive income for the year	-	-	-	(11,857,962)	(11,857,962)
Contributions by and distributions to owners					
Shares issued during the year	-	1,095,788	-	-	1,095,788
Share based payments	-	-	617,826	-	617,826
At 31 March 2020	4	28,673,932	2,042,818	(22,349,183)	8,367,571

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital	Share premium account	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2018	3	6,349,972	853,268	(5,362,700)	1,840,543
Comprehensive income for the year					
Loss for the year	-	-	-	(5,128,521)	(5,128,521)
Contributions by and distributions to owners					
Other movement	1	21,228,172	571,724	-	21,799,897
At 31 March 2019 (unaudited)	4	27,578,144	1,424,992	(10,491,221)	18,511,919

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	*Unaudited* *2019* *£*
Cash flows from operating activities		
Loss for the financial year	**(14,017,924)**	*(5,861,187)*
Adjustments for:		
Depreciation of tangible assets	**524,486**	*77,045*
Interest paid	**173,355**	*69,380*
Interest received	**(4,969)**	*-*
Taxation charge	**(2,721,302)**	*(1,999,083)*
Increase in debtors	**(2,196,474)**	*(2,064,916)*
Increase in creditors	**4,079,963**	*4,513,444*
Corporation tax received	**2,009,932**	*(232,394)*
Share option charge	**617,826**	*571,724*
Foreign exchange movement	**1,853**	*-*
Net cash generated from operating activities	**(11,533,254)**	*(4,925,987)*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(863,867)**	*(230,281)*
Interest received	**4,969**	*-*
Net cash from investing activities	**(858,898)**	*(230,281)*
Cash flows from financing activities		
Issue of preference shares	**-**	*21,228,172*
Issue of shares	**2,349**	*-*
(Repayment)/drawdown of secured loans	**(214,483)**	*1,000,000*
Interest paid	**(173,355)**	*(69,380)*
Net cash used in financing activities	**(385,489)**	*22,158,792*
Net (decrease)/increase in cash and cash equivalents	**(12,777,641)**	*17,002,524*
Cash and cash equivalents at beginning of year	**19,008,276**	*2,005,752*
Cash and cash equivalents at the end of year	**6,230,635**	*19,008,276*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**6,230,635**	*19,008,276*

The notes on pages 14 to 30 form part of these financial statements.

1. General information

IVXS UK Limited is a private company, limited by shares, incorporated in England and Wales. The address of the registered office is given on the company information page and the principal activity is set out in the directors' report.

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 Section 1A of 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The company's financial statements have been prepared on a going concern basis. The directors are confident that the funding received in July 2020 and the debt facilities available to the company will be sufficient in enabling the company to continue in operational existence for the foreseeable future. In assessing the going concern the directors have produced cashflow forecasts taking into account the likely future developments of the company and have a reasonable expectation that the company will have adequate resources to meet its obligations as they fall due for a minimum of 12 months from the date of approval of these financial statements.

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

2. Accounting policies (continued)

2.7 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 *Pensions*

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.10 Current and deferred taxation

Tax is recognised in the Consolidated statement of comprehensive income, 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 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.

2.14 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.15 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.

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

2. Accounting policies (continued)

2.17 Preference shares

Preference shares are classified as equity, based on the rights attached to the shares. They are recognised at fair value less any incidental costs of issue. Amounts paid in excess of the nominal value of preference shares have been recognised in share premium.

2.18 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

2. Accounting policies (continued)

2.19 Financial instruments

The Company has derivative and non-derivative financial instruments, which comprise receivables, cash, loan and borrowings, and trade payables.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, and directly attributable transaction costs.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if the contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Derivative financial instruments – warrants

The Company has provided to its lender the right to purchase a specified amount of ordinary shares. The warrants are measured at fair value and any movement in fair value is recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method, less any impairment losses. Accounts receivable are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment due to bad and doubtful accounts. The provision for doubtful debts is based on management's assessment of amounts considered uncollectible for specific customers or Company's of customers based on age of debt, history of payments, account activity, economic factors and other relevant information. The amount of the provision is the difference between the asset's unamortised cost and the present value of estimated future cash flows, discounted at an effective interest rate. The provision expense is recognised in the income statement.

Bad debts are written off against the provision for doubtful debts in the period in which it is determined that the debts are uncollectible. If those debts are subsequently collected then a gain is recognised in the income statement.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at the end of each reporting period. 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 of the investment have been affected.

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Deferred tax
  No deferred tax asset has been recognised in respect of accumulated trading losses as there is insufficient certainty over timing of future taxable profits.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 9)
  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Provision of doubtful accounts
  The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

- Share based payments
  Certain employees of the Company receive remuneration in the form of share based payments whereby employees render services as consideration for equity instruments. The fair value is determined using an appropriate pricing model that utilise assumptions on volatility, interest rates and life of the options.

4. Turnover

Analysis of turnover by country of destination:

	2020 £	*Unaudited* *2019* £
United Kingdom	**7,448,924**	*4,550,009*
Rest of the world	**3,101,729**	*1,430,619*
	10,550,653	*5,980,628*

5. Operating loss

The operating loss is stated after charging:

	2020 £	*Unaudited 2019* £
Depreciation of owned tangible fixed assets	**524,486**	*77,045*
Exchange differences	**13,527**	*(21,073)*
Operating lease rentals	**2,280,514**	*466,182*
Share based payment	**617,826**	*571,724*
Fees payable to the company's auditor for the audit of the company's annual financial statements	**34,100**	*31,000*
Fees payable to the company's auditor for non-audit services:		
Accounts preparation	**3,500**	*3,500*
Taxation services	**17,950**	*13,750*

6. Employees

The average monthly number of employees, including directors, during the year was 235 *(2019 - 119)*.

7. Directors' remuneration

	2020 £	*Unaudited 2019* £
Directors' emoluments	**76,083**	*64,158*

8. Taxation

	2020 £	*Unaudited 2019* £
Corporation tax		
Current tax on profits for the year	**(2,748,666)**	*(2,009,097)*
Foreign tax		
Foreign tax on income for the year	**27,364**	*10,014*
Total current tax	**(2,721,302)**	*(1,999,083)*

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2019 - lower than)* the standard rate of corporation tax in the UK of 19% *(2019 - 19%)*. The differences are explained below:

	2020 £	*Unaudited 2019 £*
Loss on ordinary activities before tax	**(16,739,226)**	*(7,860,270)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**(3,180,453)**	*(1,493,451)*
Effects of:		
Expenses not deductible for tax purposes	**199,272**	*139,313*
Additional deduction for R&D expenditure	**(2,036,001)**	-
Surrender of tax losses for R&D tax credit refund	**853,142**	-
Adjustments to tax charge in respect of prior periods	**347**	*(692,241)*
Deferred tax not recognised	**1,510,825**	*46,869*
Remeasurement of deferred tax for changes in tax rates	**(68,434)**	-
Difference in overseas tax	-	*(5,162)*
Other differences leading to an increase in the tax charge	-	*5,589*
Total tax charge for the year	**(2,721,302)**	*(1,999,083)*

9. Tangible fixed assets

Group

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2019	95,090	259,911	355,001
Additions	615,693	364,925	980,618
Exchange adjustments	(8)	192	184
At 31 March 2020	710,775	625,028	1,335,803
Depreciation			
At 1 April 2019	31,863	107,473	139,336
Charge for the year on owned assets	371,359	153,127	524,486
Exchange adjustments	(3)	28	25
At 31 March 2020	403,219	260,628	663,847
Net book value			
At 31 March 2020	307,556	364,400	671,956
At 31 March 2019 (unaudited)	*63,227*	*152,438*	*215,665*

9. Tangible fixed assets (continued)

Company

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2019	94,434	188,071	282,505
Additions	549,818	314,049	863,867
At 31 March 2020	644,252	502,120	1,146,372
Depreciation			
At 1 April 2019	31,644	69,173	100,817
Charge for the year on owned assets	353,501	120,056	473,557
At 31 March 2020	385,145	189,229	574,374
Net book value			
At 31 March 2020	259,107	312,891	571,998
At 31 March 2019 (unaudited)	*62,790*	*118,898*	*181,688*

10. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2019	35
At 31 March 2020	35

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
IVXS Technology Romania Sarl	Cluj-Napoca 400000, Romania	Provision of IT services	Ordinary	100%
IVXS Technology USA Inc	9 East 38th Street, Floor 3, NY, NY 10016	Sales and marketing	Ordinary	100%
IVXS Technology SG Pte Ltd	26 China Street, #02-01, Singapore 049568	Sales and marketing	Ordinary	100%

11. Debtors

	Group 2020 £	*Group Unaudited 2019 £*	Company 2020 £	*Company Unaudited 2019 £*
Due after more than one year				
Amounts owed by group undertakings	-	-	**3,279,404**	*1,279,824*
Promissory note	**1,098,409**	-	**1,098,409**	-
Due within one year				
Trade debtors	**3,200,983**	*1,892,860*	**2,200,691**	*1,288,396*
Other debtors	**437,722**	*352,331*	**383,377**	*352,333*
Prepayments and accrued income	**1,132,109**	*329,149*	**823,784**	*272,319*
Tax recoverable	**2,749,013**	*2,009,444*	**2,749,013**	*2,009,097*
	8,618,236	*4,583,784*	**10,534,678**	*5,201,969*

The Group entered into a promissory note agreement in the amount of £1,093,440 with an employee in January 2020. The note accrues interest at a rate of 1.69% compounded semi-annually and matures in January 2029.

12. Cash and cash equivalents

	Group 2020 £	*Group Unaudited 2019 £*	Company 2020 £	*Company Unaudited 2019 £*
Cash at bank and in hand	**6,230,635**	*19,008,276*	**5,348,209**	*18,678,391*

13. Creditors: Amounts falling due within one year

	Group 2020 £	*Group Unaudited 2019 £*	Company 2020 £	*Company Unaudited 2019 £*
Trade creditors	**1,294,883**	*375,372*	**1,428,160**	*626,083*
Corporation tax	**7,094**	*4,149*	-	-
Other taxation and social security	**441,671**	*312,933*	**349,409**	*245,955*
Other creditors	**334,630**	*163,101*	**65,557**	*27,046*
Accruals and deferred income	**7,666,565**	*4,809,324*	**5,234,180**	*3,623,302*
	9,744,843	*5,664,879*	**7,077,306**	*4,522,386*

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

	Group 2020 £	*Group Unaudited 2019* £	**Company** 2020 £	*Company Unaudited 2019* £
Bank loans	**669,845**	*777,778*	**669,845**	*777,778*
Warrant liabilities	**340,198**	*250,000*	**340,198**	*250,000*
	1,010,043	*1,027,778*	**1,010,043**	*1,027,778*

On 29 November 2018, the company drew £1,000,000 on a pre-agreed debt facility. The debt facility is repayable in monthly installments of principal and interest which commences in November 2019. Interest accrues at a rate of the Bank of England rate plus 9.75%. The debt facility matures in November 2021.

In consideration of the facility being made available, the Company issued warrant over ordinary shares, to a value of £250,000. The warrants are treated as a cost of debt issuance, accordingly the balance is incorporated into the amortised cost of the loan and recognised within effective interest over the term of the loan.

The Company recorded £83,333 of amortisation expense in the period, which is included in interest expense (2019: £27,778).

15. Share capital

	2020 £	*Unaudited 2019* £
Allotted, called up and fully paid		
2,148,911 *(2019 - 2,008,957)* Ordinary shares of £0.000001 each	**2**	*2*
1,270,579 *(2019 - 1,270,579)* Preference A shares of £0.000001 each	**1**	*1*
231,100 *(2019 - 231,100)* Seed shares of £0.000001 each	**-**	-
827,843 *(2019 - 827,843)* Preference B shares of £0.000001 each	**1**	*1*
27,173 *(2019 - 24,575))* Share options exercised of £0.000001 each	**-**	-
	4	*4*

16. Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Foreign exchange reserve

The foreign exchange reserve comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling (£).

Share option reserve

The share option reserve includes an expense based on the fair value of share options issued and remaining in issue at the year end.

Profit and loss account

The profit and loss reserves represent cumulative profits or losses, net of dividends paid and other adjustments.

17. Share based payments

During the period, options were granted to certain employees of the Group under the Company's EMI option scheme. The options under the scheme become exercisable once the vesting conditions are met.

	2020 £	*2019* £
Outstanding at the beginning of the period/year	**312,271**	*222,524*
Granted during the year (Employees)	**67,626**	*84,570*
Granted during the year (Management & Directors)	**31,413**	*37,782*
Exercised during the year	**(13,318)**	*(24,575)*
Expired during the year	**(17,882)**	*(8,030)*
Outstanding at the end of the year	**380,110**	*312,271*

All options granted are ordinary shares with an exercise price of £0.01.

18. Pension commitments

The pension cost charge represents contributions payable by the Group to the fund and amounted to £259,300 (2019 unaudited - £99,444). Contributions totalling £67,846 (2019 unaudited - £27,131) were payable to the fund at the reporting date and are included in creditors.

19. Purchase commitments

In November 2019, the Group entered into a purchase commitment which requires a minimum spend of $3,600,000 on or before 30 November 2021. As of 31 March 2020, the Group has spent $808,945.

20. Commitments under operating leases

At 31 March 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group	*Group Unaudited*
	2020	*2019*
	£	*£*
Not later than one year	**1,360,879**	*67,000*
Later than one year and not later than five years	**1,061,968**	-
	2,422,847	*67,000*

21. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

The total remuneration paid to directors for services to the group was £76,083 (2019 - £60,076).

22. Post balance sheet events

On 16th July 2020, the Group entered into a subscription agreement which provided $49,999,987 in exchange for the allotment and issuance of preference shares.

23. Controlling party

The ultimate controlling party is Mr C K Delingpole by virtue of his majority shareholding.