

SENSAT DIGITAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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COMPANIES HOUSE

SENSAT DIGITAL LIMITED
REGISTERED NUMBER: 09869690

BALANCE SHEET
AS AT 31 DECEMBER 2023

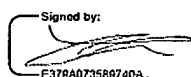
	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	661,045	861,643
		<u>661,045</u>	<u>861,643</u>
Current assets			
Debtors: amounts falling due within one year	5	1,360,276	1,371,683
Cash at bank and in hand		249,297	456,814
		<u>1,609,573</u>	<u>1,828,497</u>
Creditors: amounts falling due within one year	6	(25,878,877)	(21,135,143)
Net current liabilities		<u>(24,269,304)</u>	<u>(19,306,646)</u>
Total assets less current liabilities		<u>(23,608,259)</u>	<u>(18,445,003)</u>
Creditors: amounts falling due after more than one year	7	(149,900)	(232,635)
Net liabilities		<u><u>(23,758,159)</u></u>	<u><u>(18,677,638)</u></u>
Capital and reserves			
Called up share capital	9	100	100
Other reserves		851,320	483,160
Profit and loss account		(24,609,579)	(19,160,898)
		<u><u>(23,758,159)</u></u>	<u><u>(18,677,638)</u></u>

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

Signed by:

E37BA073580740A...

J E B Dean
Director

Date: 30 September 2024

The notes on pages 2 to 10 form part of these financial statements.

SENSAT DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

Sensat Digital Limited (Formerly known as Sensat Surveying Ltd) is a private company limited by shares incorporated in England. The registered office is shown on the company information page.

The principal activity of the company is that of building technology to automate the way customers plan, build and manage civil infrastructure.

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 financial statements are for the year ended 31 December 2023 (2022: year ended 31 December 2022)

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

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The directors believe that the company's sales growth trajectory, its cash levels and its ability to control its operating costs put it in a good position to manage its business risks successfully. This, together with detailed forecasts prepared by the directors have demonstrated a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and they consider it is appropriate to apply the going concern basis of accounting in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentational 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

SENSAT DIGITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2. Accounting policies (continued)****2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Subscription revenue relating to the Sensat platform is recognised on a straight-line basis over the period the contract relates. Any initial set-up fees are recognised in full at the date the service is provided.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss 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.

2.8 Pensions**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

SENSAT DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.9 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.10 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 balance sheet date in the countries where the company operates and generates income.

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.

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:

Leasehold land and buildings	- Over the life of the lease
Plant and machinery	- 2 years straight line
Motor vehicles	- 6 years straight line
Office equipment	- 5 years straight line
Computer equipment	- 3 years straight line

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 profit or loss.

SENSAT DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.12 Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the company after the deduction of all its liabilities.

SENSAT DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

3. Employees

The average monthly number of employees, including directors, during the year was 62 (2022:75).

SENSAT DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2023	6,432	635,451	9,990	279,610	163,096	1,094,579
Additions	-	42,532	-	19,072	38,480	100,084
Disposals	-	(7,143)	-	(2,043)	(29,855)	(39,041)
At 31 December 2023	6,432	670,840	9,990	296,639	171,721	1,155,622
Depreciation						
At 1 January 2023	429	109,983	415	18,600	103,509	232,936
Charge for the year on owned assets	1,286	183,763	1,666	57,701	48,257	292,673
Disposals	-	(7,143)	-	(136)	(23,753)	(31,032)
At 31 December 2023	1,715	286,603	2,081	76,165	128,013	494,577
Net book value						
At 31 December 2023	4,717	384,237	7,909	220,474	43,708	661,045
At 31 December 2022	6,003	525,468	9,575	261,010	59,587	861,643

SENSAT DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Debtors

	2023 £	2022 £
Trade debtors	654,392	193,474
Amounts owed by group undertakings	88,851	176,438
Other debtors	150,382	152,849
Prepayments and accrued income	277,221	176,293
Tax recoverable	189,430	672,629
	<u>1,360,276</u>	<u>1,371,683</u>

Included within amounts owed by group undertakings are loan balances of £88,851 (2022: £176,400) that are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

6. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	139,969	53,528
Amounts owed to group undertakings	24,047,766	19,349,625
Other taxation and social security	224,484	194,870
Obligations under finance lease and hire purchase contracts	82,735	82,735
Other creditors	26,710	24,514
Accruals and deferred income	1,357,213	1,429,871
	<u>25,878,877</u>	<u>21,135,143</u>

Included within amounts owed to group undertakings are loan balances of £23,976,896 (2022: £19,166,547) that are unsecured, interest-free, have no date of repayment and are repayable on demand.

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

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	<u>149,900</u>	<u>232,635</u>

SENSAT DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	82,735	82,735
Between 1-5 years	149,900	232,635
	<u>232,635</u>	<u>315,370</u>

9. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100,000 (2022:100,000) Ordinary shares of £0.001 each	100	100
	<u>100</u>	<u>100</u>

10. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £257,301 (2022: £184,506). Contributions totalling £26,410 (2022: £24,513) were payable to the fund at the balance sheet date and are included in creditors.

11. Commitments under operating leases

At 31 December 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	184,015	107,342
Later than 1 year and not later than 5 years	122,677	306,692
	<u>306,692</u>	<u>414,034</u>

12. Controlling party

The ultimate controlling party is Sensat LTD, by virtue of shareholding.

13. Other reserves

Other reserves relate to contributions made by Sensat Limited for share options issued in Sensat limited for employees of Sensat Digital Limited.

SENSAT DIGITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Related party transactions

The Company has taken advantage of the exemption within FRS 102 not to disclose transactions entered into by two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

15. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2023 was unqualified.

The audit report was signed on 30 September 2024 by David Fotheringham (Senior statutory auditor) on behalf of Cooper Parry Group Limited.