

Registered number: 03885568

VERILOCATION LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

THURSDAY



AAJHNT57

A22

16/12/2021

#322

COMPANIES HOUSE

VERILOCATION LIMITED

CONTENTS

	Page
Company Information	1
Directors' Report	2 - 4
Statement of Comprehensive Income	5
Balance Sheet	6 - 7
Notes to the Financial Statements	8 - 21
<p>The following pages do not form part of the statutory financial statements:</p>	
Detailed Profit and Loss Account and Summaries	22 - 25

VERILOCATION LIMITED

COMPANY INFORMATION

Directors Mrs S E Overton (resigned 30 June 2020)
A W Overton
J Sumner (resigned 1 March 2021)
M Rogerson (resigned 30 June 2020)
A Shaw

Registered number 03885568

Registered office 26 Queensbridge
Bedford Road
Northampton
Northamptonshire
NN4 7BF

VERILOCATION LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the period ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 principal activity of the Company is the provision of technology solutions that help transport businesses maximise vehicle productivity. Verilocation's tracking solutions with its driver behaviour, integrated camera technology & tachograph modules are supported by a technology interface that integrates into fleet users' day-to-day operations, to enable greater driver and vehicle productivity along with improved safety and regulatory compliance.

Business review

Financial key performance indicators

The Company's key financial and other performance indicators during the year were as follows:

	31 December 2020 £000	30 September 2019 £000
Turnover	10,890	5,250
Gross profit	5,677	3,418

VERILOCATION LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Results and dividends

The profit for the period, after taxation, amounted to £897,000 (2019 - £3,881,000).

There have been no interim dividends paid in the year (2019 - £Nil). The directors do not recommend the payment of a further dividend (2019 - £Nil).

Directors

The directors who served during the period were:

Mrs S E Overton (resigned 30 June 2020)

A W Overton

J Sumner (resigned 1 March 2021)

M Rogerson (resigned 30 June 2020)

A Shaw

Going concern

The directors have prepared detailed budgets and cash flow forecasts for the going concern assessment period of 12 months from approval of the financial statements which provide comfort that the Group has sufficient working capital to meet requirements for at least 12 months from the date of signing the financial statements. Various downside scenarios have also been performed as part of this work to ascertain any future funding requirements in this period.

The wider AddSecure group also continues to support the business where required. AddSecure group have provided the directors with a letter confirming that they will provide financial and other support as necessary to enable the Company and the Group to meet its liabilities as they fall due for a period of at least 12 months from the date of signing of these financial statements.

Based on the approved forecasts, including downside scenarios, and taking into account the letter of group support noted above, the directors consider that the Group and Company has sufficient funding to support the Group's and Company's continued investment in market leading software development and to meet its liabilities as they fall due for the going concern assessment period.

On this basis, and the Group's and Company's ability to manage its discretionary costs should it be required to, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Directors' liabilities

The Company has granted an indemnity to each of its directors against liability in respect of proceeds brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provisions remain in force as at the date of the Directors' Report.

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.

VERILOCATION LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

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



.....
A Shaw
Director

Date: 14 December 2021

VERILOCATION LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Turnover		10,890	6,477
Cost of sales		(5,213)	(2,794)
Gross profit		5,677	3,683
Administrative expenses		(4,780)	293
Adjusted EBITDA*	4	2,539	4,164
Exceptional administrative expense		(1,484)	(72)
Depreciation expense		(40)	(48)
Intangible amortisation		(118)	(68)
Profit on ordinary activities before interest		897	3,976
Tax on profit	6	-	(95)
Profit for the financial period		897	3,881
Total comprehensive income for the period		897	3,881

The notes on pages 8 to 21 form part of these financial statements.

* Earnings before interest, tax, depreciation and amortisation and adjusted for exceptional administrative expenses.

VERILOCATION LIMITED
REGISTERED NUMBER: 03885568

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	31 December 2020 £000	30 September 2019 £000
Fixed assets			
Intangible assets	8	266	283
Tangible assets	9	49	78
		<u>315</u>	<u>361</u>
Current assets			
Stocks	10	371	212
Debtors: amounts falling due within one year	11	10,232	7,337
Cash at bank and in hand	12	132	427
		<u>10,735</u>	<u>7,976</u>
Creditors: amounts falling due within one year	13	(3,703)	(1,851)
		<u>7,032</u>	<u>6,125</u>
Net current assets			
		<u>7,032</u>	<u>6,125</u>
Total assets less current liabilities			
		<u>7,347</u>	<u>6,486</u>
Provisions for liabilities			
Deferred tax	14	(13)	(48)
		<u>(13)</u>	<u>(48)</u>
Net assets			
		<u>7,334</u>	<u>6,438</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		7,333	6,437
		<u>7,334</u>	<u>6,438</u>

VERILOCATION LIMITED
REGISTERED NUMBER: 03885568

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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:



.....
A Shaw
Director

Date: 14 December 2021

The notes on pages 8 to 21 form part of these financial statements.

VERILOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

1. General information

Verilocation Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared detailed budgets and cash flow forecasts for the going concern assessment period of 12 months from approval of the financial statements which provide comfort that the Group has sufficient working capital to meet requirements for at least 12 months from the date of signing the financial statements. Various downside scenarios have also been performed as part of this work to ascertain any future funding requirements in this period.

The wider AddSecure group also continues to support the business where required. AddSecure group have provided the directors with a letter confirming that they will provide financial and other support as necessary to enable the Company and the Group to meet its liabilities as they fall due for a period of at least 12 months from the date of signing of these financial statements.

Based on the approved forecasts, including downside scenarios, and taking into account the letter of group support noted above, the directors consider that the Group and Company has sufficient funding to support the Group's and Company's continued investment in market leading software development and to meet its liabilities as they fall due for the going concern assessment period. On this basis, and the Group's and Company's ability to manage its discretionary costs should it be required to, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 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.

2.4 Revenue

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received and receivable, excluding discounts, rebates, VAT and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of equipment is recognised when the significant risks and rewards of ownership of the equipment have been passed to the buyer, usually on the delivery/installation date.

Rendering of services

Revenue from software services and the provision of general services is recognised over the period in which the service is provided.

2.5 Leased assets: the Company as lessee

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 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.

VERILOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.7 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.

2.8 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet 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 balance sheet date.

2.9 Exceptional items

Exceptional items are transactions that fall outside the ordinary activities of the Company and are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development costs	-	5	years straight line basis
-------------------	---	---	---------------------------

Development costs

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the products so that they will be available for use;
- Management intends to complete the products and use them or sell them;
- There is an ability to use or sell the products;
- It can be demonstrated how the products will generate probable future economic benefit;
- Adequate technical, financial and other resources to complete the development and to use or sell the products are available; and
- The expenditure attributable to the products during their development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are shown at historical cost, have a finite useful life and are carried at cost less accumulated amortisation and any impairment losses.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

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.

VERILOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

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, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	25% straight line
Motor vehicles	-	25% on reducing balance
Fixtures, fittings, plant and equipment	-	25% 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.

2.12 Stocks

Stock relates to telematics hardware and is stated at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Cost includes all costs incurred in bringing each product to its present condition and location. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

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.

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 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.16 Financial instruments (continued)

cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

VERILOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reporting for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimations means that actual outcomes could differ from those estimates. The most significant areas of estimation for the Company are as follows:

Impairment of debtors

The Company makes an estimate for 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.

Valuation of inventory

The Company sells advanced vehicle tracking and camera units. As technology develops, management believe it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating whether inventory should be provided for, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated selling price of the products.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets.

Recoverability of capitalised development cost

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, or that the costs cannot be recovered, then the amortisation rate is amended to reflect this. The current life of 5 years is deemed by management to be a prudent estimate of the useful life of products developed.

Exceptional administrative expenses

Management have considered the costs incurred by the Company during the year and where they view that there are costs which are significant, and relate to non-recurring items that are outside of the ordinary course of business, have disclosed these as exceptional administrative expenses. The classification of some items into this line may be viewed as subjective and therefore it is possible others may arrive at a different value for items to be shown as a sub-set of administrative expenses.

4. Profit before taxation

The profit before taxation is stated after charging:

	2020	2019
	£000	£000
Exchange differences	40	48
Other operating lease rentals	118	68
	<u>158</u>	<u>116</u>

VERILOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

5. Employees

The average monthly number of employees, including directors, during the period was 0 (2019 - 28).

6. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	(10)	85
Adjustments in respect of previous periods	10	-
	<u>-</u>	<u>85</u>
Total current tax	<u>-</u>	<u>85</u>
Deferred tax		
Origination and reversal of timing differences	-	10
Total deferred tax	<u>-</u>	<u>10</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>95</u>

Factors affecting tax charge for the period/year

The Finance Bill 2021 had its third reading on 24 May 2021 and was then considered to be substantively enacted; the Finance Act 2021 receiving Royal Assent on 10 June 2021. This included 25% as the main rate of corporation tax relevant for periods on or after 1 April 2023 to be reflected in gains on any asset sales or timing differences expected to reverse after that date.

VERILOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

7. Exceptional items

	2020 £000	2019 £000
Exceptional administration expenses	1,484	72
	<u>1,484</u>	<u>72</u>

In June 2020 the Connexas Holdings Limited group was acquired by AddSecure AB. Exceptional administrative costs were incurred as part of the sale and integration into the wider AddSecure group.

In May 2019, the Group acquired Seven Telematics Limited. Exceptional administrative expenses were incurred as part of the acquisition and subsequent restructuring of the business.

8. Intangible assets

	Other intangibles £000	Goodwill £000	Total £000
Cost			
At 1 October 2019	387	14	401
Additions	100	-	100
At 31 December 2020	<u>487</u>	<u>14</u>	<u>501</u>
Amortisation			
At 1 October 2019	103	14	117
Charge for the period on owned assets	118	-	118
At 31 December 2020	<u>221</u>	<u>14</u>	<u>235</u>
Net book value			
At 31 December 2020	<u>266</u>	<u>-</u>	<u>266</u>
At 30 September 2019	<u>283</u>	<u>-</u>	<u>283</u>

VERILOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

8. Intangible assets (continued)

The amortisation charge for the year is included within administration expenses.

During the year, the Company considered that the internal development costs being incurred in respect of the development of new products met the necessary criteria for recognition as intangible assets detailed in the accounting policies in note 2. Accordingly, additions of £100,000 were recognised which are being amortised over a five year period.

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2019 - £Nil).

9. Tangible fixed assets

	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 October 2019	-	84	196	280
Additions	13	-	14	27
Disposals	-	(45)	-	(45)
At 31 December 2020	<u>13</u>	<u>39</u>	<u>210</u>	<u>262</u>
Depreciation				
At 1 October 2019	-	53	150	203
Charge for the period on owned assets	8	5	27	40
Disposals	-	(30)	-	(30)
At 31 December 2020	<u>8</u>	<u>28</u>	<u>177</u>	<u>213</u>
Net book value				
At 31 December 2020	<u>5</u>	<u>11</u>	<u>33</u>	<u>49</u>
At 30 September 2019	<u>-</u>	<u>32</u>	<u>46</u>	<u>78</u>

VERILOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

10. Stocks

	31 December 2020 £000	30 September 2019 £000
Stocks	371	212
	<hr/> 371 <hr/>	<hr/> 212 <hr/>

VERILOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

11. Debtors

	31 December 2020 £000	30 September 2019 £000
Trade debtors	1,190	892
Amounts owed by group undertakings	4,222	3,662
Other debtors	4,783	2,760
Prepayments and accrued income	37	23
	<u>10,232</u>	<u>7,337</u>

Trade debtors are stated after a provision for impairment of £143,000 (2019 - £61,000).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12. Cash and cash equivalents

	31 December 2020 £000	30 September 2019 £000
Cash at bank and in hand	132	427
	<u>132</u>	<u>427</u>

13. Creditors: Amounts falling due within one year

	31 December 2020 £000	30 September 2019 £000
Trade creditors	1,168	657
Amounts owed to group undertakings	1,334	258
Corporation tax	2	104
Other taxation and social security	664	296
Other creditors	(1)	11
Accruals and deferred income	536	525
	<u>3,703</u>	<u>1,851</u>

VERILOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

14. Deferred taxation

	2020 £000	2019 £000
At beginning of year	48	38
Charged to profit or loss	-	10
Utilised in year	(35)	-
At end of year	13	48

The provision for deferred taxation is made up as follows:

	31 December 2020 £000	30 September 2019 £000
Accelerated capital allowances	13	52
Other timing differences	-	(4)
	13	48

15. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2020 £000	30 September 2019 £000
Not later than 1 year	29	86
Later than 1 year and not later than 5 years	47	26
	76	112

16. Related party transactions

The property occupied by Verilocation Limited is owned by Verilocaion SSAS, a self-administered pension scheme for the benefit of two of the directors of Verilocation Ltd. Rent was paid to Verilocation SSAS during the year of £56,250 (2019 - £54,000).

VERILOCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

17. Controlling party

The Company's immediate parent is Connexas Holdings Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is AddSecure Holdco Limited.

The directors consider the ultimate controlling party is AddSecure Topco AB.