Ionic Security Ltd

Registered number: 09237747

Annual report

For the year ended 31 December 2019

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		2019 £		2018 £
Current assets					
Debtors: amounts falling due within one year	4	603,108		618,878	
Cash at bank and in hand		14,761		13,672	
		617,869		632,550	
Creditors: amounts falling due within one year	5	(523,207)		(515,158)	
Net current assets			94,662		117,392
Total assets less current liabilities			94,662		117,392
Net assets			94,662		117,392
Capital and reserves					
Called up share capital	6		1		1
Profit and loss account			94,661		117,391
Total equity			94,662		117,392

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:

J Versteeg
Directors

Date: 8 April 2021

The notes on pages 2 to 6 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Ionic Security Ltd is a private company limited by shares incorporated in England and Wales. The address of its registered office is Tower Bridge House, St Katharine's Way, London, United Kingdom, E1W 1DD.
The principal activity of the company is the marketing and distribution of data encryption and security software developed by its parent company.
The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

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 following principal accounting policies have been applied:

2.2 Going concern

The company is dependent on its parent company for generating turnover as its only source of income. Given these circumstances, the directors deem it appropriate to prepare the financial statements on a going concern basis, as they have no reason to believe that the exisiting agreement with its parent company will not continue for the foreseeable future.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company 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 company 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 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 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 reporting date.

2. Accounting policies (continued)

2.7 Taxation

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

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

3. Employees

The average monthly number of employees, including the directors, during the year was 2 (2018 - 2).

4. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	600,354	600,354
Other debtors	2,731	18,524
Tax recoverable	23	-
	603,108	618,878

Amounts owed by group undertakings are unsecured, interest free and payable on demand.

5. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	505,097	505,097
Corporation tax	-	1,001
Accruals and deferred income	18,110	9,060
	523,207	515,158

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

6. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 (2018 - 1) Ordinary share of £1	1	1

All shares rank pari passu in all respects.

7. Share based payments

Previously, the Group remunerated staff through a share option plan. Qualifying staff were granted a number of share options which entitled them to acquire shares in the parent company at a predetermined price. The price was determined as the market value at the grant date. 25% of granted options vested at the first anniversary of the grant date, thereafter in 36 equal monthly portions.
During 2017, the employment of 4 members of staff was terminated. Options vested at the termination date remained exercisable until 31 January 2018. The options were all forfeited in 2018.

	Weighted average exercise price (pence) 2019	Number 2019	Weighted average exercise price (pence) 2018	Number 2018
Outstanding at the beginning of the year		-	6.04	59,500
Granted during the year		-		-
Forfeited during the year		-		(59,500)
Outstanding at the end of the year		-		-

Expenses to the value of £nil was recognised in relation to share based payments (2018 : £nil). Due to the forfeit of the options, all historical recognised charges relating to the options have been reversed out with an amount of £nil therefore credited to the Statement of comprehensive income during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Post balance sheet events

Between the year end and the date of this report, the COVID-19 pandemic emerged globally.

9. Controlling party

At the year end the immediate and ultimate parent was Ionic Security Inc., a company registered in the United States of America. The address of its registered office is 3355 Lenox Rd, Suite 750, Atlanta GA 30326, USA.

10. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 8 April 2021 by Graham Speck (Senior statutory auditor) on behalf of Clarkson Hyde LLP.