
AGILICO SYSTEMS LIMITED

UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



AGILICO SYSTEMS LIMITED

COMPANY INFORMATION

Directors	S J Algeo S A Davey P Jan A P Tatham S R Blumenblatt (appointed 22 June 2023)
Registered number	02511016
Registered office	C/O Harrison Clark Rickerbys Ellenborough House Wellington Street Cheltenham GL50 1YD

AGILICO SYSTEMS LIMITED

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AGILICO SYSTEMS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors

The directors who served during the year were:

S J Algeo
S A Davey
P Jan
A P Tatham

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.

Samuel Blumenblatt

S R Blumenblatt
Director

Date: 02/11/2023

AGILICO SYSTEMS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

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 judgements and accounting estimates that are reasonable and prudent; and
- 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.

AGILICO SYSTEMS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover		3,662,780	2,889,183
Cost of sales		(1,925,346)	(1,487,079)
Gross profit		<u>1,737,434</u>	<u>1,402,104</u>
Administrative expenses		(1,711,863)	(1,483,076)
Profit/(loss) before tax		<u>25,571</u>	<u>(80,972)</u>
Tax on profit/(loss)	4	12,506	(21,374)
Profit/(loss) after tax		<u><u>38,077</u></u>	<u><u>(102,346)</u></u>
Retained earnings at the beginning of the year		544,759	647,105
Profit/(loss) for the year		38,077	(102,346)
Retained earnings at the end of the year		<u><u>582,836</u></u>	<u><u>544,759</u></u>

The notes on pages 6 to 15 form part of these financial statements.

AGILICO SYSTEMS LIMITED
REGISTERED NUMBER:02511016

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	5	60,833	27,483
Tangible assets	6	104,706	98,760
		<u>165,539</u>	<u>126,243</u>
Current assets			
Stocks		71,047	58,356
Debtors: amounts falling due within one year	7	979,273	1,102,926
Bank and cash balances		217,780	280,317
		<u>1,268,100</u>	<u>1,441,599</u>
Creditors: amounts falling due within one year	8	(740,711)	(922,984)
Net current assets		<u>527,389</u>	<u>518,615</u>
Total assets less current liabilities		<u>692,928</u>	<u>644,858</u>
Provisions for liabilities			
Deferred tax		(9,993)	-
Net assets		<u><u>682,935</u></u>	<u><u>644,858</u></u>
Capital and reserves			
Called up share capital		100,099	100,099
Retained earnings		582,836	544,759
Shareholders' funds		<u><u>682,935</u></u>	<u><u>644,858</u></u>

AGILICO SYSTEMS LIMITED
REGISTERED NUMBER:02511016

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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 year 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:

Samuel Blumenblatt

S R Blumenblatt
Director

Date: **02/11/2023**

The notes on pages 6 to 15 form part of these financial statements.

AGILICO SYSTEMS LIMITED

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

1. General information

Agilico Systems Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 02511016). The registered office address is C/O Harrison Clark Rickerbys, Ellenborough House, Wellington Street, Cheltenham, GL50 1YD.

The Company's functional and presentational currency is GBP.

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 a subsidiary of and part of a group of companies headed by Agilico Group Limited.

The Company meets its day to day working capital requirements through its own cash balances and from funding from the Group. The Company has received written confirmation from Agilico Group Limited that it will continue to provide financial support, for a period of at least twelve months from the date of signing these financial statements.

In carrying out their duties in respect of going concern, the directors have reviewed the Group's forecast cash flows, liquidity and borrowing facilities and related covenant requirements and the expected operational activities of the Group. Forecasts have been prepared by management which included sensitivity analysis to consider the impact of principal risks and uncertainties brought about by current macroeconomic conditions, in particular with respect to the continued recovery of the business post the Covid-19 pandemic and interest rate rises.

The sensitised forecasts demonstrate that the Group is expected to have sufficient cash reserves and available headroom under its borrowing facilities (including a £5m RCF which is currently undrawn) and is forecast to remain in compliance with its financial covenants for a period of at least twelve months from the date of signing these financial statements.

As such the directors believe that the Company will have adequate resources to continue to operate for the foreseeable future. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

AGILICO SYSTEMS LIMITED

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

2. Accounting policies (continued)

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:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

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. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

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.

AGILICO SYSTEMS LIMITED

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

2. *Accounting policies (continued)*

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to profit or loss over its useful economic life.

Internally developed software costs

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 is 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. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

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.

Other 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.

AGILICO SYSTEMS LIMITED

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

2. Accounting policies (continued)

2.7 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 or reducing balance method.

Depreciation is provided on the following basis:

Motor vehicles	- 25% reducing balance
Equipment	- 33% straight-line
Assets leased out	- 20% - 50% 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.

2.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

AGILICO SYSTEMS LIMITED

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

2. Accounting policies (continued)

2.10 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.

2.11 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

AGILICO SYSTEMS LIMITED

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

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year 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.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 24 (2022 - 16).

AGILICO SYSTEMS LIMITED

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

4. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	4,237	24,059
Adjustments in respect of previous periods	(31,166)	3,793
Total current tax	<u>(26,929)</u>	<u>27,852</u>
Deferred tax		
Origination and reversal of timing differences	6,659	(4,216)
Adjustment in respect of previous periods	5,661	(206)
Effect of change in rates	2,103	(2,056)
Total deferred tax	<u>14,423</u>	<u>(6,478)</u>
Taxation on (loss)/profit on ordinary activities	<u>(12,506)</u>	<u>21,374</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	<u>25,571</u>	<u>(80,972)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	4,858	(15,385)
Effects of:		
Expenses not deductible for tax purposes	9,985	35,481
Adjustments in respect of prior periods	(25,505)	3,587
Non-taxable income	(3,947)	(253)
Effect of change in rates	2,103	(2,056)
Total tax (credit)/charge for the year	<u>(12,506)</u>	<u>21,374</u>

AGILICO SYSTEMS LIMITED

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

4. Taxation (continued)

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

5. Intangible assets

	Internally developed software £	External computer software £	Goodwill £	Total £
Cost				
At 1 April 2022	-	-	42,370	42,370
Additions	26,051	38,488	-	64,539
At 31 March 2023	26,051	38,488	42,370	106,909
Amortisation				
At 1 April 2022	-	-	14,887	14,887
Charge for the year	3,289	417	27,483	31,189
At 31 March 2023	3,289	417	42,370	46,076
Net book value				
At 31 March 2023	22,762	38,071	-	60,833
At 31 March 2022	-	-	27,483	27,483

AGILICO SYSTEMS LIMITED

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

6. Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2022	247,737
Additions	69,404
At 31 March 2023	<u>317,141</u>
Depreciation	
At 1 April 2022	148,977
Charge for the year	63,458
At 31 March 2023	<u>212,435</u>
Net book value	
At 31 March 2023	<u><u>104,706</u></u>
At 31 March 2022	<u><u>98,760</u></u>

7. Debtors

	2023 £	2022 £
Trade debtors	218,346	317,544
Amounts owed by group undertakings	602,718	706,846
Other debtors	8,966	-
Prepayments and accrued income	149,243	74,087
Deferred tax asset	-	4,449
	<u><u>979,273</u></u>	<u><u>1,102,926</u></u>

AGILICO SYSTEMS LIMITED

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

8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	236,378	247,393
Amounts owed to group undertakings	277,241	366,102
Other taxation and social security	-	9,842
Other creditors	13,126	14,838
Accruals and deferred income	213,966	284,809
	<u>740,711</u>	<u>922,984</u>

9. Contingent liabilities

The Group has a senior loan facility agreement in place, which is secured by a debenture over the assets of the Group. The Company has entered into a cross-guarantee of the loan facility. The loan balances outstanding under the Group's loan facility at 31 March 2023 were £80.1m (2022 - £80.1m).

10. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

11. Controlling party

The immediate parent undertaking is Agilico Workplace Technologies (South) Limited, a company registered in England and Wales.

The largest and smallest group of undertakings for which group accounts for the year ended 31 March 2023 have been drawn up, is that headed by Agilico Group Limited. The registered office address of Agilico Group Limited is C/O Harrison Clark Rickerbys, Ellenborough House, Wellington Street, Cheltenham, GL50 1YD. Copies of the group accounts are available from Companies House.

The ultimate parent undertaking and ultimate controlling party is Horizon Capital LLP, a Limited Liability Partnership registered in England and Wales.