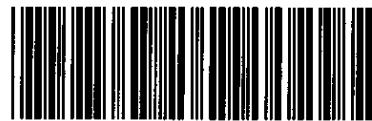


CAERUS ASSETS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

THURSDAY



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28/03/2024
COMPANIES HOUSE

CAERUS ASSETS LIMITED

COMPANY INFORMATION

Directors	J Harling R Behan
Registered number	11370659
Registered office	CAE House Maylands Avenue Hemel Hempstead Industrial Estate Hemel Hempstead HP2 7DE
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Storey 1 Finsbury Avenue London EC2M 2PF

CAERUS ASSETS LIMITED

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CAERUS ASSETS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their strategic report for the year ended 30 June 2023.

Introduction

The Caerus Group (CAE) is an IT infrastructure solutions provider. The focus of the business is working with customers to design, implement and support core technology infrastructure comprising of five pillars: network and connectivity, hybrid datacentre, cloud, modern workspace and security.

Our Purpose

To transform people's experiences and people's lives, through technology - by inspiring and developing people, creating intimacy and sharing expertise.

Throughout periods of change CAE has adapted solutions to meet customer outcomes, while continuing to be driven by our purpose, putting culture first and people at the core of our decision making.

Key Partnerships and Solutions

The solutions available for CAE to offer customers are a combination of technologies, achieved by accrediting to the highest levels with the world's leading technology manufacturers. These manufacturers have long term track records in developing products and services that require a trusted advisor to deliver positive customer outcomes. The principal manufacturer relationships for CAE are Cisco, Dell Technologies and Microsoft, with which the following key accreditations are held.

Manufacturer Accreditation at June 2023

Cisco and Cisco Meraki	Gold Integrator
Dell Technologies	Platinum Partner
Microsoft	Authorised Solution Partner and Tier 1 Direct CSP Partner

Manufacturer Award (in or for current financial year)

Cisco and Cisco Meraki	Cisco UK&I Innovation Partner of the Year 2023 Cisco UK&I Sustainability Partner of the Year 2023 Cisco EMEA Sustainability Partner of the Year 2023 Cisco Innovation Challenge 2023 – Global 3rd place
Dell Technologies	Dell UK Partner of the Year Excellence in Business Development 2022

Manufacturer Specialisations

Cisco	Environmental Sustainability Specialization Full-Stack Observability Solution Specialization (New from September 2023) Secure Access Service Edge Solution Specialization (New from September 2023) Extended Detection and Response Solution Specialization (New from July 2023) Advanced Collaboration Architecture Specialization Advanced Customer Experience Specialization Advanced Data Center Architecture Specialization (being retired in July 2024) Advanced Enterprise Networks Architecture Specialization Advanced Security Architecture Specialization Cisco Umbrella for MSSPs Specialization Cisco Unified Contact Center Express Specialization Collaboration SaaS Specialization
Microsoft	Infrastructure Azure Modern Work Security Adopt and Change Management

CAERUS ASSETS LIMITED**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

CAE remains fundamentally manufacturer independent so that the correct solution for the customer is always paramount. This is evidenced by solution elements sold during the year from over 300 manufacturers.

Manufacturer solutions are packaged by CAE alongside its own services, with our own service desk function maintaining 3-star status awarded by the Service Desk Institute.

These services establish strong underlying processes to allow the customer to be taken on a journey that addresses the fundamental IT demands of a fast-moving organisation. This includes a significant element of support services following the implementation of a solution, which keeps it operational and continuously improves the end user experience.

App development continues to grow within CAE. Areas of investment included:

- A portfolio of applications to support the network: Intelligence, Nucleus, Assure and Wiser Watts
- Automation on the Service Desk
- Bespoke customer engagements to drive better automation and reporting

Off the back of this development, award success included the Cisco Global Digital Sustainability Challenge and the Cisco Partner Innovation Challenge, with CAE being announced the winner of the former and a finalist (for the third year running) in the latter challenge. The awards, given as financial prizes, will support future innovation investment.

Business review

Financial results for the year ending 30 June 2023 show a record-breaking turnover year as the business continues to grow by winning and delivering significant transformation projects and competing successfully in a market that sustains a significant number of competitors. The following are the key performance indicators monitored by the directors:

	2023	2022	Increase/ (decrease)	
	£	£	£	% change
Turnover	180,312,109	138,016,517	42,295,592	30
Operating profit/(loss)	703,369	2,530,335	3,233,704	127

Turnover increased by 30% during the year highlighting the strength of investment. Supply chain issues improved somewhat in comparison to 2022 but a level of unpredictability remained.

Operating profit decreased by 127% mainly due foreign exchange losses as a result of unpredictable delivery dates from supply chain issues and a fall in vendor/manufacturer partner program funding. Investment continued throughout the business including people, systems, buildings, and development.

Principal risks and uncertainties

CAE completes a full business review and planning exercise every three months that identifies the risks associated with the business and assesses measures in place to mitigate those risks. The main areas of review are financial, market and resources.

CAERUS ASSETS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Financial Risk

The ongoing volatility in currency markets continues to be a risk, but the group minimises this by FX hedging the purchase of currency linked to fulfilled orders. Supply chain issues caused further uncertainty and increased exposure to FX movements. Working capital requirements are monitored closely with the contractual arrangements out in place to manage working capital as effectively as possible.

The group is subject to bad debt risk, however tight credit control procedures and a widely encompassing credit insurance policy mitigate this.

Market Risk

The inherent competitive nature of the IT market results in a continual risk to an established customer base in each of the product and service areas. However, a strong feature of CAE is customer loyalty and breadth of accounts. The top customer represented only 6.8% of total turnover.

CAE is reliant on several manufacturer relationships in order to provide leading technologies. Although this minimises the risk of manufacturing and product development it leads to exposure to risk from changes in go to market strategies. The key manufacturers have repeatedly stated their commitment to a channel-based route to market and CAE has met all partner criteria throughout the year.

The supply chain continues to be a challenge. Timing issues are closely monitored with management of both invoicing and order book to understand the overall trading position. In addition, there is a maintained focus on CAE's recurring business, which is not hardware dependent, and generally offers increased profitability.

Resource Risk

The delivery of products and services is reliant on a strong customer interface, particularly from sales and services employees. There is a risk in the ability to meet customer requirements and sustain customer relationships from employees leaving the business.

Management and related systems are in place to ensure that any relationship has multiple points of contact, which has been augmented by the business growing in scale. Constant appraisal of people best practice, enhanced communication systems and individual review also contribute to an environment in which people want to deliver a great experience.

Churn and stability metrics are monitored monthly by department with regular surveys and exit interview processes ensuring that there is a full understanding of employee sentiment within the business.

CAERUS ASSETS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Directors' section 172 (1) statement of compliance

The board of directors, acting in accordance with their duties under s172 of the Companies Act 2006, have acted in good faith in a manner which they consider promotes the success of the group for the benefit of its members and by doing so have had regard to a range of matters when making decisions for the long term.

Business Relationships

CAE operates in a broad range of vertical markets, the key differentiator being an understanding and personalisation of solutions and services that allows a trusted partnership to be built for the long term, based on continued and unrivalled intimacy. This is reflected in customer retention of 96% of the top 100 customers by revenue (99% 2022).

60% of turnover is derived from the private sector (including banking, IT, retail, media and insurance) and 40% from the public sector. Key public sector frameworks as listed below.

Crown Commercial Services (CCS) RM6100 Technology Services 3 Lots 1 & 3c
Crown Commercial Services (CCS) RM6068 Technology Products and Associated Services (TePAS) Lot 3
Crown Commercial Services (CCS) RM1557.13 G-Cloud 13 Lot 3
Crown Commercial Services (CCS) RM1043.8 Digital Outcomes 6 Lot 1
Crescent Purchasing Consortium (CPC) ICT Networking & Storage Solutions Lot 1
Jisc Network Equipment Lots 5 & 7
NHS Shared Business Services (SBS) Cloud Solutions Lot 1
North of England Commercial Procurement Collaborative (NOECPC) - TTS Total Technology Solutions – Lots
IT Hardware - Non Clinical Software - Non Clinical IT Services
Southern Universities Purchasing Consortium (SUPC) - Servers, Storage and Solutions National Agreement (SSSNA) – Lots 5
Welsh Government (Caerphilly CBC) Education Technology & Associated Services (EdTech) (DPS) Lots 1 & 2
YPO Education Technology & Associated Services (EdTech) (DPS) Lots 2
Kent County Council via KCS Procurement Services - Communication Solutions and Associated Telephony Services – Lots Feature List & Connectivity

Our People

At CAE, it is recognised that people are the source of expertise, passion and adaptability, which differentiates the business and ultimately drives success. Every person plays a part in achieving the shared objectives which helps them to grow, learn and develop; professionally and personally. The strength of CAE's culture continues to allow the business to move forward with positivity and purpose.

Disabled employees

The group has policies for the promotion of equal opportunities.

Employee Engagement

CAE has adopted a hybrid work pattern and kept in place flexible working patterns to allow the best balance to be achieved between work / life balance and keeping up the social and collaboration elements of work that are vital to innovation and supporting mental health. Communications channels remained key to keeping individuals safe, informed, and motivated while working remotely. Engagement is promoted through formal and informal channels with openness on all aspects of the business and its performance encouraged from the outset at induction through to departments and individuals by regular communications on a weekly, monthly and quarterly basis. Two all-company events are held annually to communicate purpose and strategy and are followed up with departmental sessions. Individuals are encouraged to complete regular Personal Development Reviews to identify areas of growth and opportunities for future learning.

The cost-of-living issues arising from global macroeconomic and political factors continue to be monitored and support is provided as appropriate and the ongoing commitment to pay the Real Living Wage.

CAERUS ASSETS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Employee wellbeing remains a primary focus for the Managers and Leadership Team. Benefits are constantly reviewed and include wellbeing options such as a medical cash plan, access to wellness apps, corporate rate personal offers and others. There are specific groups and activities throughout the year that include Wellness, Book Club, Charities and Diversity and Inclusion that highlight areas of interest from across the group.

The group achieved a 3-star (World Class) rating with Best Companies during the year, demonstrating CAE's commitment to putting people first. The company continues to survey regularly and focuses on follow up sessions to ensure continuous improvement in engagement.

Going Concern

CAE saw turnover grow by 30% and operational profit decrease by 127%. The statutory requirement to revalue FX contracts at the balance sheet date resulted in an unrealized loss of £1.1m, excluding which the decrease in profit is 82%. Whilst the company minimises hedging risk through the purchase of currency linked specifically to fulfilled orders, there was increased exposure during the year due to greater than normal levels of unpredictability of the supply chain causing realised losses. These issues are easing, and the management continue to monitor them closely. Continual investment is required to grow and scale the business and CAE is undergoing a company-wide system transformation project. There have been some challenges causing a delay in the implementation, along with increased costs however it is anticipated that these will be outweighed by the positive long-term benefits. Changes in vendor related partner programs also had an adverse impact on profitability.

Business continued to be derived from a wide range of vertical markets and a customer base of approximately 550 spending accounts, with the largest single customer representing 6.8% of turnover.

The senior leadership team of the group meet on a monthly basis and review financial performance against forecast and assess all ongoing risks relating to the commercial success of the business including manufacturer relationships, supplier relationships, employee development and financial performance.

Management accounts are reviewed by the directors of the business and analysed against previous years and the forecast to ensure growth continues in a stable and sustainable manner.

Any fundamental change in strategy or potential acquisition or disposal must be approved by the board.

CAERUS ASSETS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

With IT solutions still regarded as a key enabler for business growth and increasingly important as deemed a critical service during the pandemic, the directors believe the forecasts are prudent and achievable and therefore the group is a going concern for the foreseeable future being at least 12 months from the date of sign off on the financial statements.

The financial statements have been prepared on the going concern basis.

The directors have prepared projected cash flow information in excess of 12 months from the date of their approval of these financial statements. The detailed projections demonstrate the company is forecast to operate within its available cash reserves or through the utilisation of its invoice discounting facility which is provided up to an agreed borrowing amount of £8m and accordingly the directors believe the company has adequate resources to continue in operational existence for the period of at least 12 months from the date of the approval of these financial statements.

Shareholders

Management are committed and openly engaged with shareholders through effective and regular communication channels. The shareholders are actively engaged in understanding our strategy, culture, people and the performance of our shared objectives for the short, medium and longer terms.

Payment of suppliers

With respect to suppliers the group policy for the payment of suppliers is to agree terms of payment in advance in line with normal trade practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

Political Donations

The group does not make any donations to any political party.

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

DocuSigned by:

460AEC/ADEC18473
J Harling
Director

Date: 28 March 2024

CAERUS ASSETS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the financial statements for the year ended 30 June 2023.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, 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 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 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 in the year under review was that of supply of high value IT infrastructure products and services.

Results and dividends

The loss for the year, after taxation, amounted to £1,304,885 (2022: profit £1,572,964).

The company paid dividends of £NIL (2022: £NIL) during the year. The directors do not propose the payment of a final dividend (2022: £NIL).

Directors

The directors who served during the year and to the date of approval of these financial statements are shown on the company information page.

CAERUS ASSETS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Community and charity

The company political and charitable donations totaled £115,152 (2022 £115,273). This included support for a number of local charities and a national charity partner selected by employees.

Also in the year, CAE continued to build the CAE Foundation, which is being administered by the Charities Aid Foundation. The goal of the Foundation is to commit resources long term in order to help eliminate digital exclusion caused by digital poverty.

Partnerships supported by the Foundation include:

- Citizens Online
- One YMCA
- Everton in the Community
- Aspire (Getting Oxfordshire Online)
- Edinburgh Remakery
- Sunnyside Rural Trust
- *First Days*

Future developments

Although a number of factors continue to add to a level of uncertainty within the macro environment and for customers at an individual level, technology continues to be part of the solution of how organisations can respond and adapt to changing requirements from customers and employees.

Investment continues to be made in ensuring that CAE strengthens its capabilities in each of the core areas of networking, datacentre, workplace and security. Within these areas the recurring elements of services and software continue to combine to offer greater innovation to customers through automation of deployment and support.

Following a detailed review of CAE's own systems, a multi-million pound upgrade project is ongoing and will bring significant benefits to the organisation, customers and partners. Improved processes, advanced reporting capabilities and an end-to-end view of the customer journey will support CAE's growth plans in the coming years.

The pressure within the market for talent still exists, showing itself in both the movement of people and pressure of wage inflation. CAE continues to make recruitment decisions based on capability, culture and the commercial value of a role.

Senior Leadership continues to assess monthly, both the strategic direction and operational performance of the business. This has resulted in a number of process and system improvements, including a systems project that will help support increased productivity as the business grows in the long term.

Our future success is wholly based on the effort of everyone who works within the organisation, and we would like to express our thanks for all that has been achieved and is yet to come from a fantastic team.

Engagement with suppliers, customers and others

Customer intimacy is the key to CAE's core strategy, building trusted advisor relationships and engagement. Our goal is to achieve real change for them and their customers, as with our vendors, customer experience or satisfaction is an increasingly important system of measurement and CAE has invested in a new Customer Success and Transformation practice and relevant software to support this effort.

Customer intimacy applies to suppliers, partners, governing bodies as well as customers and all staff are involved in building and improving the customer journey.

Qualifying third party indemnity provisions

During the period and up to the date of this report, the company maintained liability insurance and third-party indemnification provisions for its directors, under which the company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the company.

CAERUS ASSETS LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023****Streamlined Energy and Carbon Reporting (SECR)**

The Group's greenhouse gas emissions and energy consumption for the year are:

	2023	2022
Energy consumption used to calculate emissions (kWh)	802,980	695,510
Energy consumption breakdown (kWh)		
Gas	81,194	50,182
Electricity	383,999	448,368
Transport Fuel	39,980	3,234
Business Travel	297,807	193,726
Scope 1- emissions in metric tonnes CO ₂ e		
Gas consumption	14.85	9.16
Scope 2 - emissions in metric tonnes CO ₂ e		
Purchased electricity	71.06	94.65
Scope 3 - emissions in metric tonnes CO ₂ e		
Business travel in employee vehicles	133.3	44.53
Transport fuel	10.1	8.27
Total scope	182	52.8
Total gross emissions in metric tonnes CO ₂ e	201.4	156.61
Intensity ratio tonnes per CO ₂ e	0.5	0.51

CAERUS ASSETS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per employee, the recommended ratio for the sector.

Total gross emissions fell by 1% in the year.

When working with our customers, we frequently talk about how CAE, through the use of technology, can transform what they do. A key component of our purpose is to do this work in a compassionate manner, to make sure we recognise all the ways that an organisation touches and impacts the world around us.

This year has seen our 'Make A Difference' sustainability strategy really starting to become entwined within our culture, so much so, we are in the process of formulating a 2030+ sustainability framework to encompass multiple dimensions that have the flexibility to evolve.

In our Governance, we continue to focus on best practices in our Board of Directors, across our leadership team and throughout the company. The foundational values of our corporate governance practices are openness, equity, integrity and accountability. Our Board of Directors receives regular updates and proactively provides input and feedback regarding the company's ESG initiatives. Our leadership teams also engage in continual leadership refreshment to ensure diversity of background, perspectives, and experience at the highest levels of our organisation.

Environmentally, we must continue to improve our environmental impact by reducing our own direct as well as indirect carbon dioxide equivalent (CO₂e) emissions as efficiently and effectively as possible.

We acknowledge the carbon dioxide emissions generated through the delivery of our services, and as a signatory of the government's Net Zero emissions and the UN Framework Absolute Zero by 2050. To that effect, CAE is committed to set a common target to reduce its carbon emissions to contribute to the government's Net Zero scheme and reduce greenhouse gas emissions.

As a business, we are committed:

- To achieve Net Zero in line with the Science Based targets set out by the UNFCCC3 i.e. to achieve Net Zero no later than 2040 and target a 50% reduction in emissions by 2030. This is 10 years ahead of our legal commitments;
- To set realistic short and longer-term targets that are designed to achieve our Net Zero commitments;
- To report our business's total Greenhouse Gas emissions regularly and for our performance to be part of Future Net Zero's and CBN Expert's annual reporting back to the UNFCCC.

CAE acknowledges that our commitment is reported on the Network Net Zero website. CAE made its pledge to the Race to Zero via the Network Net Zero Community on 24th January 2023.

We are very proud of our continued progress into 2023. We have further invested to accurately assess and address the carbon footprint from our business operations and supply chain. This has led to a consistent reduction in our annual carbon impact and a better understanding of areas for further carbon footprint reduction. These efforts align with our commitment to cut our carbon footprint by 50% from 2019 levels by 2030 and achieve net zero by 2040, a decade ahead of government targets.

CAERUS ASSETS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

These activities include –

- Having the accountability of sustainability to be a key operational outcome of the Senior Leadership Team at CAE Technology Services.
- Forming external alliances to review and validate carbon data and calculations, providing an independent view of CAE's activities, whilst offering support on strategies and best practices for the implementation of change in how we conduct our business to meet the commitments.

*CAE uses the Renewable Energy Guarantees of Origin (REGO) guidance via the green tariffs for all its sites, which qualifies the reduction of its purchased electricity. Using the location-based method REGOs guidance, the electricity emissions would be 88.6 tCO₂e as opposed to 4.5 tCO₂e.

Disclosure of information to auditor


Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

Auditor

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:

460AECAD6C18473

J Harling
Director

28 March 2024
Date:

CAERUS ASSETS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAERUS ASSETS LIMITED

Opinion

We have audited the financial statements of Caerus Assets Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 June 2023, which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and the analysis of net debt and the related notes, 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 30 June 2023 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

CAERUS ASSETS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAERUS ASSETS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 group strategic report or the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

CAERUS ASSETS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAERUS ASSETS LIMITED (CONTINUED)

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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.



David Fotheringham (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Storey

1 Finsbury Avenue

London

EC2M 2PF

Date: 28 March 2024

CAERUS ASSETS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £	2022 £
Turnover	3	180,312,109	138,016,517
Cost of sales		143,727,038	103,955,082
Gross profit		<u>36,585,071</u>	<u>34,061,435</u>
Administrative expenses		(36,206,987)	(31,983,816)
Fair value movements		(1,118,239)	452,716
Operating (loss)/profit	4	<u>(740,155)</u>	<u>2,530,335</u>
Interest receivable and similar income		34,006	615
Interest payable and expenses	8	(257,003)	(254,622)
(Loss)/profit before taxation		<u>(963,152)</u>	<u>2,276,328</u>
Tax on (loss)/profit	9	(341,733)	(703,364)
(Loss)/profit for the financial year		<u><u>(1,304,885)</u></u>	<u><u>1,572,964</u></u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

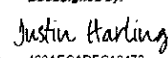
The notes on pages 22 to 43 form part of these financial statements.

CAERUS ASSETS LIMITED
REGISTERED NUMBER: 11370659

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	10		6,366,433		7,514,171
Tangible assets	11		10,254,803		7,385,193
			<u>16,621,236</u>		<u>14,899,364</u>
Current assets					
Stocks	13	3,523,179		1,833,070	
Debtors: amounts falling due within one year	14	38,160,587		37,637,674	
Cash at bank and in hand	15	3,762,462		4,856,679	
		<u>45,446,228</u>		<u>44,327,423</u>	
Creditors: amounts falling due within one year	16	(47,506,429)		(43,075,880)	
Net current (liabilities)/assets			<u>(2,060,201)</u>		<u>1,251,543</u>
Total assets less current liabilities			<u>14,561,035</u>		<u>16,150,907</u>
Creditors: amounts falling due after more than one year	17		(4,747,129)		(5,410,552)
Provisions for liabilities					
Deferred taxation	19	(930,933)		(348,581)	
Other provisions	20	(289,575)		(493,491)	
			<u>(1,220,508)</u>		<u>(842,072)</u>
Net assets excluding pension asset			<u>8,593,398</u>		<u>9,898,283</u>
Net assets			<u><u>8,593,398</u></u>		<u><u>9,898,283</u></u>
Capital and reserves					
Called up share capital	21		6,767		6,767
Share premium account	22		4,349,602		4,349,602
Profit and loss account	22		4,237,029		5,541,914
Equity attributable to owners of the parent company			<u>8,593,398</u>		<u>9,898,283</u>
			<u><u>8,593,398</u></u>		<u><u>9,898,283</u></u>

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

DocuSigned by:

460AEC/DEC18473

J Harling
Director 28 March 2024

The notes on pages 22 to 43 form part of these financial statements.

CAERUS ASSETS LIMITED
REGISTERED NUMBER: 11370659

COMPANY BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible fixed assets	11		6,958,539		6,280,079
Investments	12		11,402,773		11,402,773
			<u>18,361,312</u>		<u>17,682,852</u>
Current assets					
Debtors: amounts falling due within one year	14	276,055		174,081	
Cash at bank and in hand	15	23,831		12,755	
		<u>299,886</u>		<u>186,836</u>	
Creditors: amounts falling due within one year	16	(15,806,394)		(13,004,564)	
Net current liabilities			<u>(15,506,508)</u>		<u>(12,817,728)</u>
Total assets less current liabilities			<u>2,854,804</u>		<u>4,865,124</u>
Creditors: amounts falling due after more than one year	17		-		(1,510,000)
Provisions for liabilities					
Deferred taxation	19	(357,245)		(460,855)	
Other provisions	20	(256,475)		-	
			<u>(613,720)</u>		<u>(460,855)</u>
Net assets			<u>2,241,084</u>		<u>2,894,269</u>
Capital and reserves					
Called up share capital	21		6,767		6,767
Share premium account	22		4,349,602		4,349,602
Profit and loss account			<u>(2,115,285)</u>		<u>(1,462,100)</u>
Shareholders' funds			<u>2,241,084</u>		<u>2,894,269</u>

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

DocuSigned by:

 460AECAD5C*8473...
J Harling
 Director

Date: 28 March 2024

The notes on pages 22 to 43 form part of these financial statements.

CAERUS ASSETS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Share premium account	Profit and loss account	Total shareholder s' funds
	£	£	£	£
At 1 July 2022	6,767	4,349,602	5,541,914	9,898,283
Comprehensive income for the year				
Loss for the year	-	-	(1,304,885)	(1,304,885)
At 30 June 2023	<u>6,767</u>	<u>4,349,602</u>	<u>4,237,029</u>	<u>8,593,398</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital	Share premium account	Profit and loss account	Total shareholder s' funds
	£	£	£	£
At 1 July 2021	6,767	4,349,602	3,968,950	8,325,319
Comprehensive income for the period				
Profit for the period	-	-	1,572,964	1,572,964
At 30 June 2022	<u>6,767</u>	<u>4,349,602</u>	<u>5,541,914</u>	<u>9,898,283</u>

The notes on pages 22 to 43 form part of these financial statements.

CAERUS ASSETS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Share premium account	Profit and loss account	Total shareholder s' funds
	£	£	£	£
At 1 July 2022	6,767	4,349,602	(1,462,100)	2,894,269
Comprehensive income for the year				
Loss for the year	-	-	(653,185)	(653,185)
At 30 June 2023	<u>6,767</u>	<u>4,349,602</u>	<u>(2,115,285)</u>	<u>2,241,084</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital	Share premium account	Profit and loss account	Total shareholder s' funds
	£	£	£	£
At 1 July 2020	6,767	4,349,602	(836,190)	3,520,179
Comprehensive income for the period				
Loss for the period	-	-	(625,910)	(625,910)
At 30 June 2022	<u>6,767</u>	<u>4,349,602</u>	<u>(1,462,100)</u>	<u>2,894,269</u>

The notes on pages 22 to 43 form part of these financial statements.

CAERUS ASSETS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(1,304,885)	1,572,964
Adjustments for:		
Amortisation of intangible assets	1,147,738	1,125,501
Depreciation of tangible assets	677,317	392,192
Loss on disposal of tangible assets	-	607
Interest paid	257,003	254,622
Interest received	(34,006)	(615)
Taxation charge	313,843	703,364
(Increase)/decrease in stocks	(1,690,109)	554,932
(Increase) in debtors	(522,913)	(8,860,768)
Increase in creditors	9,050,651	4,704,836
(Decrease) in provisions	(203,916)	(34,147)
Corporation tax paid	-	(39,140)
Net cash generated from operating activities	<u>7,690,723</u>	<u>374,348</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,514,947)	(1,395,499)
Sale of tangible fixed assets	(31,980)	-
Interest received	34,006	615
Investments net of cash acquired on the date of acquisition	-	(248,427)
Net cash from investing activities	<u>(3,512,921)</u>	<u>(1,643,311)</u>
Cash flows from financing activities		
Repayment of loans and loan notes	(4,944,813)	(1,195,000)
Other new loans	-	1,306,464
Repayment of other loans	(57,597)	(2,091,083)
Repayment of/new finance leases	(10,272)	10,272
Interest paid	(257,003)	(254,622)
Net cash used in financing activities	<u>(5,269,685)</u>	<u>(2,223,969)</u>
Net (decrease) in cash and cash equivalents	<u>(1,091,883)</u>	<u>(3,492,932)</u>
Cash and cash equivalents at beginning of year	4,854,345	7,510,089
Cash on acquisition of subsidiary	-	837,188
Cash and cash equivalents at the end of year	<u>3,762,462</u>	<u>4,854,345</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,762,462	4,856,679
Bank overdrafts	-	(2,334)

The notes on pages 22 to 43 form part of these financial statements.

CAERUS ASSETS LIMITED**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2023**

	At 1 July 2022 £	Cash flows £	Other non- cash changes £	At 30 June 2023 £
Cash at bank and in hand	4,856,679	(1,094,217)	-	3,762,462
Bank overdrafts	(2,334)	2,334	-	-
Debt due after 1 year	(1,872,767)	1,738,600	-	(134,167)
Debt due within 1 year	(5,488,847)	3,364,813	(124,682)	(2,248,716)
Finance leases	(10,272)	10,272	-	-
	500,044	(500,044)	-	-
	<u>(2,017,497)</u>	<u>3,521,758</u>	<u>(124,682)</u>	<u>1,379,579</u>

The notes on pages 22 to 43 form part of these financial statements.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Accounting policies

1.1 General information

Caerus Assets Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of the registered office and principal place of business is disclosed on the company information page.

The principal activity of the group in the year under review was that of supply of high value IT infrastructure products and services.

The company was incorporated on 18 March 2018. The current year represents the year ended 30 June 2023 (2022: 30 June 2022).

1.2 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 30 June 2022 (2021: period ended 30 June 2021).

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following accounting policies have been applied consistently throughout the year:

1.3 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 balance sheet, 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.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Accounting policies (continued)

1.4 Going concern

The financial statements have been prepared on the going concern basis.

The group has well-established and flexible financial resources, established customer base and profitable history through its main trading entity. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have prepared projected cash flow information in excess of 12 months from the date of their approval of these financial statements. The detailed projections demonstrate the company is forecast to operate within its available cash reserves or through the utilisation of its invoice discounting facility which is provided up to an agreed borrowing amount of £8m and accordingly the directors believe the company has adequate resources to continue in operational existence for the period of at least 12 months from the date of the approval of these financial statements.

1.5 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of 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 not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions to and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies recognised in the consolidated profit and loss account in the year to which they relate.

Any contracts open at the balance sheet date are fair valued and any gains or losses are recognised in the profit or loss account.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Accounting policies (continued)

1.6 Turnover

The company derives its revenue from the sale of computer hardware, installation services and support services.

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:

Sale of goods

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

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

Turnover on hardware sales is recognised when outside customers have taken delivery of and accepted liability for the goods supplied.

Rendering of services

Turnover from installation services is recognised on completion of installation of hardware. Turnover for support services is recognised on a straight line basis over the contract period in which the service is provided. Amounts invoiced relating to more than one year are deferred in the statement of financial position and recognised in the relevant period. The related costs are recognised as they occur.

1.7 Operating leases

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

1.8 Interest income

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

1.9 Pensions

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.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Accounting policies (continued)

1.10 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 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 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;
- 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 balance sheet date.

1.11 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 the Group's share 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 the consolidated statement of comprehensive income over its useful economic life.

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.

CAERUS ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023****1. Accounting policies (continued)****1.12 Impairment of assets**

Assets that are subject to depreciation and amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses are recognised in prior periods may no longer exist or may have decreased.

1.13 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 property	-	2% per annum
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20% per annum
Office equipment	-	20% per annum
Computer equipment	-	25% per annum

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.

1.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting 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 the consolidated statement of comprehensive income.

1.16 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.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Accounting policies (continued)

1.17 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.

1.18 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.

1.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

1.20 Financial instruments

The Group 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 consolidated 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.

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. Accounting policies (continued)

1.20 Financial instruments (continued)

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 Group 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

The preparation of the financial statements require management to make significant judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Intangible assets

The initial recording of intangible assets requires subjective judgements concerning estimates of the fair value of the acquired assets. Management test the value of indefinite-lived intangible assets for impairment each year or whenever events or circumstances indicate such assets may be impaired. The test for impairment involves significant judgement in estimating projections of fair value generated through future performance of each of the reporting units and considers a variety of factors such as the expected use of cash generating units to which intangible assets are attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider respect of similar businesses.

Impairment of fixed assets

The group assess the impairment of tangible fixed assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- significant under performance relative to historical or projected future operating results;
- significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- significant negative industry or economic trends.

Fair value of instruments

In determining the fair value at year end of open foreign exchange contracts the company obtain an open market valuation any gains or losses from these contracts are recorded in the profit and loss account.

Recoverability of trade debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. The directors make allowance for doubtful debts based on an assessment of the recoverability of debtors.

Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

CAERUS ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023****3. Turnover**

The whole of the turnover is attributable to the supply of high value IT infrastructure products and services.

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	174,772,774	129,186,802
Rest of Europe	2,177,810	3,725,926
Rest of the world	3,361,525	5,103,789
	<u>180,312,109</u>	<u>138,016,517</u>

4. Operating (loss)/profit

The operating profit is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	784,276	414,295
Amortisation of intangible assets, including goodwill	1,147,738	1,126,526
Exchange differences	315,044	(127,551)
Operating lease rentals	172,989	192,755
Cost of defined contribution scheme	661,518	571,212

5. Auditor's remuneration

During the year, the Group obtained the following services from the company's auditor and its associates:

	2023 £	2022 £
Fees payable to the group's auditor for the audit of the consolidated and parent company's financial statements	52,984	40,850
Fees payable to the group's auditor respect of:		
Taxation compliance services	6,550	11,500
All other services	57,019	17,250
	<u>116,553</u>	<u>69,600</u>

CAERUS ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023****6. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	26,725,229	21,926,754	832,880	-
Social security costs	2,945,603	2,493,671	110,917	-
Cost of defined contribution scheme	661,518	571,212	27,333	-
	<u>30,332,350</u>	<u>24,991,637</u>	<u>971,130</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Sales	110	114
Services	178	141
Operations	97	66
	<u>385</u>	<u>321</u>

7. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	1,375,695	984,004
Group contributions to defined contribution pension schemes	29,396	11,100
	<u>1,405,091</u>	<u>995,104</u>

During the year retirement benefits were accruing to 2 directors (2022: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £631,952 (2022: £549,724).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,733 (2022: £6,000).

The total accrued pension provision of the highest paid director at 30 June 2023 amounted to £NIL (2022: £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 30 June 2023 amounted to £NIL (2022: £NIL).

Key management personnel include the directors of the company, who have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel in the year was £1,821,784 (2022: £1,062,455).

The company had one employee and 2 directors (2022: 2) during the year.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8. Interest payable and similar expenses

	2023 £	2022 £
Other loan interest payable	256,800	253,594
Finance leases and hire purchase contracts	203	1,028
	<u>257,003</u>	<u>254,622</u>

9. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	(238,348)	259,065
Adjustments in respect of previous periods	(19)	(67,881)
Foreign tax		
Foreign tax on income for the year	-	49,427
	<u>-</u>	<u>49,427</u>
Total current tax	<u>(238,367)</u>	<u>240,611</u>
Deferred tax		
Origination and reversal of timing differences	580,100	462,753
Total deferred tax	<u>580,100</u>	<u>462,753</u>
Taxation on profit on ordinary activities	<u>341,733</u>	<u>703,364</u>

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 20.5% (2022: 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	(963,152)	2,276,328
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022: 19%)	(197,446)	432,523
Effects of:		
Fixed asset differences	47,397	(42,183)
Expenses not deductible for tax purposes	570,332	248,129
Income not taxable for tax purposes	-	(130,156)
Additional deduction for R&D expenditure	(273,024)	(70,767)
Higher rate taxes on overseas earnings	-	24,350
Adjustments to tax charge in respect of prior periods	(19)	(67,881)
Other permanent difference	23,061	-
Losses carried back	311,531	-
Remeasurement of deferred tax for changes in tax rates	148,695	48,438
Other adjustments	(288,794)	-
Deferred tax not recognised	-	260,911
Total tax charge for the year	341,733	703,364

Factors that may affect future tax charges

Release of amounts within deferred tax may have a significant effect on future tax charges and this will be reviewed annually.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

10. Intangible assets

Group and company

	Goodwill £
Cost	
At 1 July 2022	11,477,370
At 30 June 2023	<u>11,477,370</u>
Amortisation	
At 1 July 2022	3,963,199
Charge for the year on owned assets	1,147,738
At 30 June 2023	<u>5,110,937</u>
Net book value	
At 30 June 2023	<u><u>6,366,433</u></u>
At 30 June 2022	<u><u>7,514,171</u></u>

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

11. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 July 2022	5,698,068	674,621	27,232	767,862	1,456,497	8,624,280
Additions	994,174	-	-	177,885	2,342,888	3,514,947
Disposals	-	-	-	(19,350)	-	(19,350)
At 30 June 2023	6,692,242	674,621	27,232	926,397	3,799,385	12,119,877
Depreciation						
At 1 July 2022	39,835	151,683	4,538	251,553	791,478	1,239,087
Charge for the year on owned assets	188,345	44,925	3,782	231,820	385,475	854,347
Disposals	-	-	-	(32,629)	(18,701)	(51,330)
Transfers between classes	-	(48,610)	-	(94,259)	(34,161)	(177,030)
At 30 June 2023	228,180	147,998	8,320	356,485	1,124,091	1,865,074
Net book value						
At 30 June 2023	6,464,062	526,623	18,912	569,912	2,675,294	10,254,803
At 30 June 2022	5,658,233	522,938	22,694	516,309	665,019	7,385,193

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

11. Tangible fixed assets (continued)

Company

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 July 2022	5,699,093	357,492	116,706	149,259	6,322,550
Additions	994,174	47,220	-	-	1,041,394
Disposals	-	(19,350)	-	-	(19,350)
At 30 June 2023	6,693,267	385,362	116,706	149,259	7,344,594
Depreciation					
At 1 July 2022	39,835	2,481	155	-	42,471
Charge for the year on owned assets	147,345	105,410	34,857	55,972	343,584
At 30 June 2023	187,180	107,891	35,012	55,972	386,055
Net book value					
At 30 June 2023	6,506,087	277,471	81,694	93,287	6,958,539
At 30 June 2022	5,659,258	355,011	116,551	149,259	6,280,079

CAERUS ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023****12. Fixed asset investments****Company**

**Investments
in
subsidiary
companies
£**

Cost

At 1 July 2022 and 30 June 2022

11,402,773

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
CAE Technology Holdings Limited	United Kingdom	Intermediate holding company	Ordinary	100%
Seckloe 194 Limited*	United Kingdom	Intermediate holding company	Ordinary	100%
CAE Technology Services Limited*	United Kingdom	Computer hardware and services	Ordinary	100%
CAE Communications Limited*	United Kingdom	Non-trading	Ordinary	100%
CAE Assets Limited*	United Kingdom	Intermediate holding company	Ordinary	100%
CAE Technology Services Inc.*	United States of America	Non-trading	Ordinary	100%
CAE Technology Services BV*	Netherlands	Non-trading	Ordinary	100%
Novus Networks Limited*	United Kingdom	Trading	Ordinary	100%
Novus Group Limited*	United Kingdom	Trading	Ordinary	100%
Novus Consultants Limited*	United Kingdom	Non-trading	Ordinary	100%

* Shares held indirectly by Caerus Assets Limited.

In the opinion of the directors, the value of the investment as at 30 June 2023 is not less than the aggregate amount in the balance sheet.

The reporting period end of the subsidiary undertakings is co-terminus with the company.

For the year ended 30 June 2022, Novus Networks Limited, Novus Group Limited and Novus Consultants Limited, were entitled to exemption from audit under section 479A of the companies act 2006 relating to subsidiary companies.

All of the above subsidiaries are included within the group consolidation.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

13. Stocks

	Group 2023 £	Group 2022 £
Raw materials and consumables	3,523,179	1,833,070

The difference between purchase price or production cost of stocks and their replacement cost is not material.

14. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	19,561,108	21,217,902	19,046	-
Amounts owed by group undertakings	-	-	10,577	-
Other debtors	2,590,097	5,342,409	104,573	-
Prepayments and accrued income	16,009,382	10,577,319	141,859	174,081
Financial instruments	-	500,044	-	-
	<u>38,160,587</u>	<u>37,637,674</u>	<u>276,055</u>	<u>174,081</u>

All amounts are due within one year.

The impairment credit recognised in the administrative expenses in respect of bad and doubtful debts was £8,823 (2022: £22,957).

Financial instruments are the fair value amounts recognised on open foreign exchange contracts.

15. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	3,762,462	4,856,679	23,831	12,755
Less: bank overdrafts	-	(2,334)	-	-
	<u>3,762,462</u>	<u>4,854,345</u>	<u>23,831</u>	<u>12,755</u>

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

16. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Other loans	-	1,944,813	-	1,944,813
Bank overdrafts	-	2,334	-	-
Bank loans	70,000	1,490,000	-	1,420,000
Loans repayable by instalments	2,042,194	1,941,191	-	-
Trade creditors	21,006,031	10,020,311	(23,226)	32,627
Amounts owed to group undertakings	-	-	15,512,010	8,843,895
Corporation tax	106,096	374,605	-	-
Other taxation and social security	1,336,399	1,639,123	51,053	460,012
Obligations under finance lease and hire purchase contracts	-	10,272	-	-
Other creditors	8,799,681	11,933,276	7,688	-
Accruals and deferred income	14,146,028	13,719,955	258,869	303,217
	<u>47,506,429</u>	<u>43,075,880</u>	<u>15,806,394</u>	<u>13,004,564</u>

Bank overdrafts are secured by a guarantee and right to set off across all of the subsidiaries within the Caerus Assets Limited group.

Included within other creditors is an amount of £2,253,031 (2021: £383,861) in amounts due within one year, which are in respect of financing arrangements which attract interest rates between 0 and 4.92% and expire between 2023 and 2028.

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans (note 18)	134,167	1,714,167	-	1,510,000
Loans repayable by instalments (note 18)	-	158,600	-	-
Other creditors	4,612,962	3,537,785	-	-
	<u>4,747,129</u>	<u>5,410,552</u>	<u>-</u>	<u>1,510,000</u>

Included within other creditors is an amount of £3,537,785 (2021: £307,254) in amounts due after more than one year, which are in respect of financing arrangements which attract interest rates between 0 and 4.92% and expire between 2023 and 2028.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

18. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Amounts falling due within one year				
Bank loans	70,000	1,490,000	-	1,420,000
Loans repayable by instalments	2,042,194	1,941,191	-	-
Other loans	-	1,944,813	-	1,944,813
	<u>2,112,194</u>	<u>5,376,004</u>	<u>-</u>	<u>3,364,813</u>
Amounts falling due 1-2 years				
Bank loans	134,167	1,104,167	-	900,000
Loans repayable by instalments	-	158,600	-	-
	<u>134,167</u>	<u>1,262,767</u>	<u>-</u>	<u>900,000</u>
Amounts falling due 2-5 years				
Bank loans	-	610,000	-	610,000
	<u>-</u>	<u>610,000</u>	<u>-</u>	<u>610,000</u>
	<u>2,246,361</u>	<u>7,248,771</u>	<u>-</u>	<u>4,874,813</u>

Bank loans are repayable quarterly until March 2025 and attract interest of between 2.45% - 4.10%.

Loans repayable by instalments represent a number of loan agreements which are on terms of 9 months to 36 months and attraction interest rates of up to 1.85%.

Other loans were repayable in May 2023 and attracted interest at 5.00%.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

19. Deferred taxation

Group

	2023 £	2022 £
At beginning of year	(348,581)	114,172
Charged to profit or loss	(582,352)	(462,753)
At end of year	(930,933)	(348,581)

Company

	2023 £	2022 £
At beginning of year	(460,855)	-
Charged to profit or loss	103,610	(460,855)
At end of year	(357,245)	(460,855)

The provision for deferred taxation is made up as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Fixed asset timing differences	(1,024,639)	(484,012)	(428,197)	(460,855)
Short term timing differences	93,706	135,431	70,952	-
	(930,933)	(348,581)	(357,245)	(460,855)

20. Provisions

Group

	Dilapidation provision £
At 1 July 2022	493,491
Charged to profit or loss	(203,916)
At 30 June 2023	289,575

Provisions for dilapidation costs have been accrued in respect of operating leasehold property expiring between 2021 and 2024. The provision is expected to be utilised over the term of the leases.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**21. Share capital**

	2023 £	2022 £
Allotted, called up and fully paid		
3,634 A Ordinary shares of £1 each	3,634	3,634
3,133 B Ordinary shares of £1 each	3,133	3,133
	<hr/> 6,767	<hr/> 6,767
	<hr/>	<hr/>

A Ordinary

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

B Ordinary

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

22. Reserves**Share premium account**

The amount by which the amount received exceeds the share capital's nominal value.

Profit and loss account

Cumulative net gains and losses recognised in the statement of comprehensive income

Share capital

The nominal value of allotted and fully paid up ordinary share capital.

23. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £661,518 (2022: £571,212). Amounts due at the year end in respect of unpaid pension contributions were £144,210 (2022: £112,843).

CAERUS ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023****24. Commitments under operating leases**

At 30 June 2023 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	253,486	503,685
Later than 1 year and not later than 5 years	229,042	1,264,133
	<u>482,528</u>	<u>1,767,818</u>

The company had no lease commitments.

25. Related party transactions

The company has taken advantage of the exemptions available to group undertakings under FRS102 by not disclosing transactions with wholly owned entities of the Caerus Assets Limited group.

There were no related party transactions in 2023 or 2022.

26. Controlling party

The controlling parties of the Company are Justin Harling and Richard Behan, who own more than 20% of the shares of Caerus Assets Limited.