
STORM TECHNOLOGIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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STORM TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors	Mr J Brooker Mr R Marquis Mr T Nickolls Mr N Umney Mr M Smith Ms K M Anstey (appointed 1 October 2020)
Registered number	03998372
Registered office	2 The Boulevard Blackmoor Lane Croxley Business Park Watford Hertfordshire WD18 8YW
Independent auditor	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Radius House 51 Clarendon Road Watford Herts WD17 1HP

STORM TECHNOLOGIES LIMITED

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STORM TECHNOLOGIES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

Storm Technologies Limited is one of the fastest growing independent IT Value-Added Resellers in the UK. Our aim is to deliver exceptional service to our customers in corporate and public sector organisations. We advise our customers on IT strategy, implement the most appropriate technology and provide the products, services that support our customers every step of their journey towards enhancing their users IT experience and performance.

Business review

2019 was another successful year for the Company. The business strategy implemented from 2017 continued impacting positively the results of the Company, allowing us to achieve consistent and sustainable growth in sales, while maintaining profitability.

Total turnover increased by +3.7% (2018: +17%) to £112.6m (2018: £108.6m) with growth in the UK market by +3.5% (2018: +15%) and the EU market by +27.6% (2018: +40%); while the ROW market experienced a contraction by -39.8% (2018: +40%).

Gross profits increased by +3.2% (2018: +23%) to £17.9m (2018: £17.4m), and gross profit margin stayed stable at +15.9% (2018: +16%).

Net Operating Profit before taxation for the year closed on £2.1m (2018: £3.3m).

Our customer base continued to grow whilst retaining and developing our existing loyal client base.

In November 2019 the Company was awarded supplier status on the Crown Commercial Service (CCS) Framework for the supply of both hardware, software and all associated services to the public sector and their associated bodies and agencies, including the voluntary sector and charities. CCS helps more than 18,000 customers achieve commercial benefits totalling over £1 billion of public money by using approved suppliers. Places on the framework are awarded to businesses that can prove their expertise, quality of service and track record of delivery.

The Directors will continue to focus in 2020 on the further execution of Storm's growth strategy and re-development project to expand the Company's office and warehouse capacity to leverage future growth and performance.

Principal risks and uncertainties

Profitable growth within the competitive marketplace

Our comprehensive value added services portfolio continues to underpin our business and with our continual path of self improvement both with internal and customer facing systems, on-going close ties with the industries key vendors and an expanded sales and technical team, we fully expect to deliver significant growth both in revenue, margin and profitability moving forward.

Dependence on specific customers or industry sectors

No one account makes up more than 5% of Storm Technologies' total revenue and no one industry sector makes up more than 10% of total revenue. As such, the Company is resilient to market and account fluctuations and changes in buying patterns.

STORM TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial risk management

Credit Risk

The Company keeps exposure to credit risk and cash flow risk to a minimum by making sales on normal credit terms, maintaining robust credit control procedures and insuring its debts. Outstanding invoices are constantly monitored to ensure that customers pay to terms. The Company has an excellent track record in avoiding bad debts write offs.

Liquidity and Cash Flow

The Company actively monitors its financial position to ensure the Company has sufficient funds available for operations and planned expansions.

Financial key performance indicators

Storm Technologies measures its performance using four main financial KPIs and these are reported to and reviewed by the Management Team at monthly meetings:

- Gross Profit
- Gross Profit Margin
- Net Profit
- Cash Flow

Other key performance indicators

Storm Technologies also uses non-financial KPIs to assess its performance:

- Sales Ratio
- Customer Retention
- Orders Turnaround
- Quotes Conversion

STORM TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Directors' statement of compliance with duty to promote the success of the Company

Directors Duties

The directors of this company must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised below.

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term;
- The interest of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the Company.

The following paragraphs summarise how the directors fulfil these duties;

Risk Management

Consideration of our risks is an integral part of how our Company operates. Risk management is considered on a daily basis and a lot of what we do is highly regulated to eliminate risk where possible. Risks are reviewed at Director level on a regular basis, and categorising the likelihood and severity of these risks means the management team can focus on all significant areas.

Our People

The company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, investors and society as a whole. People are at the heart of our business and for our business to succeed we need to manage our peoples' performance and develop and bring through talent whilst ensuring we operate as effectively as possible. We must ensure we engage with our teams and guide our behaviour so we achieve our combined goals in the right way.

Business Relationships

Our strategy prioritises organic growth, driven by new product development, with expansion into new categories and new customers. To do this, we need to develop and maintain the strong client relationships we currently have. We value all our suppliers, and also have a small group of preferred partners within our supply base who we regularly meet with to discuss supplier challenges.

Community and Environment

The Company's approach is to use our position of strength to create positive change for the people and communities in which we interact. We have a number of community initiatives the UK. During the year the company spent £1,750 (2018: £2,355) on charitable donations and local community sponsorships.

Shareholders

The Board is committed to openly engaging with our shareholders, as we recognise the importance of a continuing effective dialogue with them. It is important to us that shareholders understand our strategy and objectives. These are explained clearly through describing and agreeing with them the strategic pillars we deem fundamental to our success.

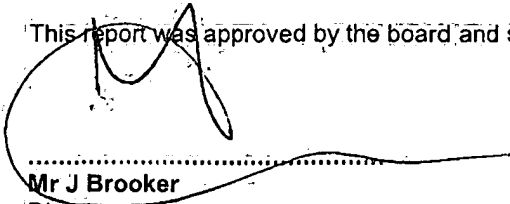
STORM TECHNOLOGIES LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Future

Storm Technologies' primary business objective for the next few years is to further consolidate its position as one of the fastest growing independent IT Value-Added Resellers in the UK. The company will continue with its strategy of reinvesting profits in the business infrastructure and personnel ensuring it maintains strong relationships with customers and suppliers.

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



.....
Mr J Brooker
Director

Date: 25-02-2021

STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,601,299 (2018 - £2,730,423).

During the year, dividends of £2,970,240 (2018: £nil) have been declared and paid. The Directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

Mr J Brooker
Mr R Marquis
Mr T Nickolls
Mr N Umney
Mr M Smith

STORM TECHNOLOGIES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Future developments

As part of the plan to expand Storm's office and warehouse capacity, the Company acquired its existing premises in September 2018 and has commenced on a £3.5m re-development project to renew and expand the existing building, due for completion in early 2021.

The Directors will continue to focus in 2020 on the further execution of Storm's growth strategy and re-development project to expand the Company's office and warehouse capacity to leverage future growth and performance.

Engagement with employees

The company's policy is to consult and discuss with employees, staff councils and at meetings, matters likely to affect employees' interests. Information on matters of concern to employees is given through bulletins, reports and company wide presentations, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Engagement with suppliers, customers and others

We recognise the importance of making decisions that are right for us, our suppliers and our customers and this is driven through more end to end costings.

We are in daily discussions with our customers and we also hold periodic conference calls with top suppliers to discuss any upcoming matters.

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'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's auditor is aware of that information.

Post balance sheet events

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases, particularly in the United Kingdom. Measures taken by the government to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as health and safety measures for our employees (such as social distancing and working from home) and securing the supply of goods essential to our operational process.

At this stage, the impact on our business and results has not been significant (and based on our experience to date we expect this to remain the case). As we operate in the Information Technology sector we have found increased demand for our products/services and expect this to continue. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our employees.

The financial statements have been restated to incorporate the results of a contractual dispute relating to trading activity up to 2017. The dispute has now been resolved and has no further impact on the financial results of the business.

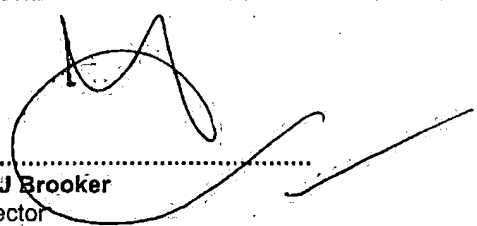
STORM TECHNOLOGIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Auditor

The auditor, Hillier Hopkins LLP, 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.



.....
Mr J Brooker
Director

Date: 25-02-2021

STORM TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORM TECHNOLOGIES LIMITED

Opinion

We have audited the financial statements of Storm Technologies Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity 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 Company's affairs as at 31 December 2019 and of its profit 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 Company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material

STORM TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORM TECHNOLOGIES LIMITED (CONTINUED)

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 on page 5, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

STORM TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORM TECHNOLOGIES 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 financial statements.

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 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 for our audit work, for this report, or for the opinions we have formed.



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford

Herts

WD17 1HP

Date:

25th February 2021

STORM TECHNOLOGIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	112,596,649	108,559,673
Cost of sales		(94,665,656)	(91,189,639)
Gross profit		17,930,993	17,370,034
Administrative expenses		(15,865,690)	(14,059,214)
Operating profit	5	2,065,303	3,310,820
Interest payable and expenses	9	(5,953)	(7,930)
Profit before tax		2,059,350	3,302,890
Tax on profit	10	(458,051)	(572,467)
Profit for the financial year		1,601,299	2,730,423

There was no other comprehensive income for 2019 (2018:£NIL).

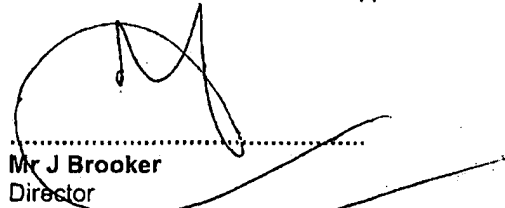
The notes on pages 16 to 34 form part of these financial statements.

STORM TECHNOLOGIES LIMITED
REGISTERED NUMBER: 03998372

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	As restated 2018 £
Fixed assets			
Tangible assets	12	2,172,131	822,180
		<u>2,172,131</u>	<u>822,180</u>
Current assets			
Stocks	13	2,792,319	1,987,058
Debtors: amounts falling due within one year	14	23,854,520	26,008,525
Cash at bank and in hand	15	427,969	879,964
		<u>27,074,808</u>	<u>28,875,547</u>
Creditors: amounts falling due within one year	16	(27,246,360)	(23,436,188)
Net current (liabilities)/assets		<u>(171,552)</u>	<u>5,439,359</u>
Total assets less current liabilities		<u>2,000,579</u>	<u>6,261,539</u>
Creditors: amounts falling due after more than one year	17	(18,707)	(2,918,591)
Provisions for liabilities			
Deferred tax	19	(24,329)	(16,464)
Net assets		<u><u>1,957,543</u></u>	<u><u>3,326,484</u></u>
Capital and reserves			
Called up share capital	20	77	77
Profit and loss account	21	1,957,466	3,326,407
		<u><u>1,957,543</u></u>	<u><u>3,326,484</u></u>

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


.....
Mr J Brooker
Director

Date: 25-02-21

The notes on pages 16 to 34 form part of these financial statements.

STORM TECHNOLOGIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018 (as previously stated)	77	2,368,144	2,368,221
Prior year adjustment	-	(1,772,160)	(1,772,160)
	<u>77</u>	<u>595,984</u>	<u>596,061</u>
At 1 January 2018 (as restated)			
Comprehensive income for the year			
Profit for the year	-	2,730,423	2,730,423
	<u>-</u>	<u>2,730,423</u>	<u>2,730,423</u>
Total comprehensive income for the year	<u>-</u>	<u>2,730,423</u>	<u>2,730,423</u>
	<u>77</u>	<u>3,326,407</u>	<u>3,326,484</u>
At 1 January 2019			
Comprehensive income for the year			
Profit for the year	-	1,601,299	1,601,299
	<u>-</u>	<u>1,601,299</u>	<u>1,601,299</u>
Total comprehensive income for the year	<u>-</u>	<u>1,601,299</u>	<u>1,601,299</u>
Dividends: Equity capital	-	(2,970,240)	(2,970,240)
	<u>-</u>	<u>(2,970,240)</u>	<u>(2,970,240)</u>
Total transactions with owners	<u>-</u>	<u>(2,970,240)</u>	<u>(2,970,240)</u>
	<u>77</u>	<u>1,957,466</u>	<u>1,957,543</u>
At 31 December 2019	<u>77</u>	<u>1,957,466</u>	<u>1,957,543</u>

The notes on pages 16 to 34 form part of these financial statements.

STORM TECHNOLOGIES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	1,601,299	2,730,423
Adjustments for:		
Depreciation of tangible assets	248,708	203,763
Loss on disposal of tangible assets	-	3,977
Interest paid	5,953	7,930
Taxation charge	458,051	572,467
(Increase)/decrease in stocks	(805,261)	32,016
Decrease/(increase) in debtors	2,375,996	(443,043)
(Increase) in amounts owed by groups	(221,991)	(6,876,726)
Increase in creditors	1,787,310	21,364
Corporation tax (paid)	(321,543)	(806,929)
Net cash generated from operating activities	5,128,522	(4,554,758)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,598,659)	(255,029)
Sale of tangible fixed assets	-	249,268
HP interest paid	(2,059)	(7,892)
Net cash from investing activities	(1,600,718)	(13,653)
Cash flows from financing activities		
Repayment of/new finance leases	24,998	(122,784)
Movements on invoice discounting	(1,030,602)	4,727,557
Dividends paid	(2,970,240)	-
Interest paid	(3,894)	(38)
Net cash used in financing activities	(3,979,738)	4,604,735
Net (decrease)/increase in cash and cash equivalents	(451,934)	36,324
Cash and cash equivalents at beginning of year	879,903	843,579
Cash and cash equivalents at the end of year	427,969	879,903
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	427,969	879,964
Bank overdrafts	-	(61)
	427,969	879,903

STORM TECHNOLOGIES LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2019

	As restated At 1 January 2019 £	Cash flows £	New finance leases £	At 31 December 2019 £
Cash at bank and in hand	879,964	(451,995)	-	427,969
Bank overdrafts	(61)	61	-	-
Finance leases	(47,791)	60,725	(85,723)	(72,789)
	<u>832,112</u>	<u>(391,209)</u>	<u>(85,723)</u>	<u>355,180</u>

The notes on pages 16 to 34 form part of these financial statements.

STORM TECHNOLOGIES LIMITED

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

1. General information

Storm Technologies Limited is a company incorporated and domiciled in England & Wales under the Companies Act 2006. The address of the registered office is 2 The Boulevard, Blackmoor Lane, Croxley Business Park, Watford, Hertfordshire, WD18 8YW. The company is an IT reseller.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

Since the year end, the Company, like most of the world's businesses, has faced significant challenge in operating normally with the onset of the Covid-19 pandemic.

From the 18 of March 2020, the business followed the government guidelines regarding Covid-19. The main effects of this has been the implementation of health and safety measures for the employees (such as social distancing and working from home) and securing the supply of goods essential for the Company's operation.

The impact on the business has not been significant and we expect this to remain the case. The Information Technology sector remains strong, providing good potential for the business to recover from the crisis quickly.

At the year end, the Company had net assets of £1,957,543. The company took advantage of available government schemes, including the Coronavirus Job Retention Scheme (between the months of April and July 2020 only) made available by the UK government.

The Directors have taken steps to manage the Company's cashflow during this period and have prepared revised budgets for the next 12 months accordingly. Having due regard to these matters and after making appropriate enquiries, the Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Therefore, the Board continues to adopt the going concern basis in preparing these Financial Statements.

STORM TECHNOLOGIES LIMITED

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

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue 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 revenue 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.

2.5 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.

STORM TECHNOLOGIES LIMITED

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

2. Accounting policies (continued)

2.6 Leased assets: the Company as lessee

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

2.7 Interest income

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

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 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.

STORM TECHNOLOGIES LIMITED

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

2. Accounting policies (continued)

2.10 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 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.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

STORM TECHNOLOGIES LIMITED

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

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Short-term leasehold property	- 15.5% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance and straight line
Office equipment	- 25-50% reducing balance and straight line
Assets under construction	- Not depreciated

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.

Assets in the course of construction are stated at cost. These assets are not depreciated until it is available for use.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the 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 Company's cash management.

STORM TECHNOLOGIES LIMITED

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

2. Accounting policies (continued)

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company 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.

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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.

STORM TECHNOLOGIES LIMITED

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

2. Accounting policies (continued)

2.18 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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- The recoverability of trade debtors has been assessed as at the year end and up until the date of signing these financial statements. Management have based the decision to provide for any amounts based on their judgement of all the available information, and their experience of the specific nature of trade debtor in question.
- Stock is included as per the accounting policy set out above. Management have assessed the need to write off or provide against any specific items based on the levels held at year end, and the expected sales of such items in the immediate period post year end.

4. Turnover

The whole of the turnover is attributable to the Company's principal activity.

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	100,400,473	96,985,134
Rest of Europe	9,899,974	7,758,197
Rest of the world	2,296,202	3,816,342
	<u>112,596,649</u>	<u>108,559,673</u>

STORM TECHNOLOGIES LIMITED

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

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	(35,560)	(20,950)
Other operating lease rentals	<u>433,853</u>	<u>415,487</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>21,500</u>	<u>20,750</u>

Fees payable to the Company's auditor and its associates in respect of:

Other services relating to taxation	14,000	-
All other services	2,700	1,250
	<u>16,700</u>	<u>1,250</u>

7. Employees

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

	2019 £	2018 £
Wages and salaries	11,388,994	10,309,251
Social security costs	1,468,170	1,339,495
Cost of defined contribution scheme	246,397	181,642
	<u>13,103,561</u>	<u>11,830,388</u>

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

	2019 No.	2018 No.
Employees	<u>166</u>	<u>151</u>

STORM TECHNOLOGIES LIMITED

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

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	1,388,134	1,329,371
Company contributions to defined contribution pension schemes	20,832	16,358
	<u>1,408,966</u>	<u>1,345,729</u>

During the year retirement benefits were accruing to 5 directors (2018 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £453,988 (2018 - £453,980).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,856 (2018 - £4,758).

9. Interest payable and similar expenses

	2019 £	2018 £
Finance leases and hire purchase contracts	2,059	7,892
Other interest payable	3,894	38
	<u>5,953</u>	<u>7,930</u>

STORM TECHNOLOGIES LIMITED

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

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	443,617	616,612
Adjustments in respect of previous periods	6,569	45,469
	<u>450,186</u>	<u>662,081</u>
Total current tax	<u>450,186</u>	<u>662,081</u>
Deferred tax		
Origination and reversal of timing differences	7,865	(89,614)
Total deferred tax	<u>7,865</u>	<u>(89,614)</u>
Taxation on profit on ordinary activities	<u>458,051</u>	<u>572,467</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>2,059,350</u>	<u>3,302,890</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	418,616	627,549
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	36,211	30,236
Capital allowances for year in excess of depreciation	13,859	(92,232)
Adjustments to tax charge in respect of prior periods	6,569	45,469
Book profit on chargeable assets	-	756
Changes in provisions leading to an increase (decrease) in the tax charge	(2,689)	5,651
Other differences leading to an increase (decrease) in the tax charge	(14,515)	(333)
Group relief	-	(44,629)
Total tax charge for the year	<u>458,051</u>	<u>572,467</u>

STORM TECHNOLOGIES LIMITED

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

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2019 £	2018 £
Dividends paid	2,970,240	-
	<u>2,970,240</u>	<u>-</u>

STORM TECHNOLOGIES LIMITED

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

12. Tangible fixed assets

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Assets under construction £
Cost or valuation					
At 1 January 2019	1,276,728	85,075	267,505	862,264	-
Additions	527,199	-	35,214	72,919	963,327
At 31 December 2019	1,803,927	85,075	302,719	935,183	963,327
Depreciation					
At 1 January 2019	897,080	65,247	257,265	449,800	-
Charge for the year on owned assets	116,032	3,215	9,820	76,990	-
Charge for the year on financed assets	7,462	-	-	35,189	-
At 31 December 2019	1,020,574	68,462	267,085	561,979	-
Net book value					
At 31 December 2019	783,353	16,613	35,634	373,204	963,327
At 31 December 2018	379,648	19,828	10,240	412,464	-

STORM TECHNOLOGIES LIMITED

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

12. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 January 2019	2,491,572
Additions	1,598,659
At 31 December 2019	<u>4,090,231</u>
Depreciation	
At 1 January 2019	1,669,392
Charge for the year on owned assets	206,057
Charge for the year on financed assets	42,651
At 31 December 2019	<u>1,918,100</u>
Net book value	
At 31 December 2019	<u>2,172,131</u>
<i>At 31 December 2018</i>	<u>822,180</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Short-term leasehold property	33,216	40,678
Office equipment	35,189	52,784
	<u>68,405</u>	<u>93,462</u>

STORM TECHNOLOGIES LIMITED

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

13. Stocks

	2019 £	2018 £
Finished goods and goods for resale	2,792,319	1,987,058
	<u>2,792,319</u>	<u>1,987,058</u>

14. Debtors

	2019 £	<i>As restated</i> 2018 £
Trade debtors	14,502,944	16,796,984
Amounts owed by group undertakings	7,098,717	6,876,726
Other debtors	2,017,989	2,185,633
Prepayments and accrued income	234,870	149,182
	<u>23,854,520</u>	<u>26,008,525</u>

15. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	427,969	879,964
Less: bank overdrafts	-	(61)
	<u>427,969</u>	<u>879,903</u>

STORM TECHNOLOGIES LIMITED

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

16. Creditors: Amounts falling due within one year

	2019 £	<i>As restated</i> 2018 £
Bank overdrafts	-	61
Trade creditors	11,153,727	10,291,705
Corporation tax	251,874	123,231
Other taxation and social security	630,437	526,860
Obligations under finance lease and hire purchase contracts	54,082	27,391
Proceeds of factored debts	10,329,825	11,360,427
Other creditors	2,956,768	36,097
Accruals and deferred income	1,869,647	1,070,416
	<u>27,246,360</u>	<u>23,436,188</u>

The Company utilises an invoice discounting facility, the provider of which holds a debenture granting them a fixed charge over all the fixed assets and stock held by the Company. Storm Technologies Group Limited, the company's parent company, is guarantor of the Company's invoice discounting obligations.

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

	2019 £	<i>As restated</i> 2018 £
Net obligations under finance leases and hire purchase contracts	18,707	20,400
Other creditors	-	2,898,191
	<u>18,707</u>	<u>2,918,591</u>

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	54,082	27,391
Between 1-5 years	18,707	20,400
	<u>72,789</u>	<u>47,791</u>

Hire purchase liabilities are secured against the assets to which they relate.

STORM TECHNOLOGIES LIMITED

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

19. Deferred taxation

	2019 £	2018 £
At beginning of year	(16,464)	(106,078)
Charged to profit or loss	(7,865)	89,614
At end of year	(24,329)	(16,464)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(32,420)	(22,796)
Pension surplus	8,091	6,332
	(24,329)	(16,464)

20. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
770 (2018 - 770) Ordinary shares of £0.10 each	77	77

21. Reserves

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

STORM TECHNOLOGIES LIMITED

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

22. Prior year adjustment

The financial statements have been restated to incorporate the results of a contractual dispute relating to trading activity up to 31 December 2017. The change has resulted in cumulative profits available for distribution at 31 December 2017 decreasing after tax by £1,772,160.

The impact of these corrections on a financial statement line item basis is set out in the following table:

Statement of comprehensive income for the period ending 31 December 2017

Net impact after tax -£1,772,160

Balance sheet as at 31 December 2018

	2018 as restated	2018 as previously shown
Other debtors	£2,185,633	£1,311,111
Other tax creditor	£526,860	£778,369
Creditors due > 1 year	£2,918,561	£20,400
Retained earnings	£3,326,407	£5,098,567

23. Contingent liabilities

HMRC have opened an investigation into the current VAT treatment on exports. The Company is confident that the current treatment is correct and are taking HMRC to tribunal, the outcome of which is uncertain and amounts cannot be reliably measured. Advice obtained indicates that it is unlikely that any significant liability will arise. The Directors are of the view that no material losses will arise in respect of the investigation at the date of these financial statements.

24. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £246,397 (2018: £181,642). Contributions totalling £42,582 (2018: £33,327) were payable to the fund at the balance sheet date and are included in creditors.

25. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2019 £	2018 £
Not later than 1 year	372,000	372,000
Later than 1 year and not later than 5 years	1,116,000	1,116,000
Later than 5 years	527,000	899,000
	<u>2,015,000</u>	<u>2,387,000</u>

STORM TECHNOLOGIES LIMITED

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

26. Transactions with directors

At the year end, Mr J R Brooker has an interest free loan from the Company of £nil (2018: £245) with no fixed repayment period.

T Nickolls, a director, owes £18,131 (2018: was owed £2,217) to the Company at the year end.

M Smith, a director, had an interest free loan account from the Company of £nil (2018: £10,000).

27. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent company. Copies of the consolidated financial statements are available from the registered office.

During the financial year, the Company sold computer equipment totalling £338,873 (2018: £463,428) to Storm Procurement Limited, a company of which Mr J R Brooker is a shareholder and director, on normal commercial terms and a management charge of £232,505 (2018: £194,580) was received from Storm Procurement Limited. Additionally during the year, purchases were made from Storm Procurement on normal commercial terms of £nil (2018: £3,339). At the balance sheet date, £12,935 (2018: £2,284) is outstanding.

The Company made available a loan to Capital Continuity Limited. The balance at the year end owed to Capital Continuity Limited was £8,222 (2018: £709). The Company also sold computer equipment totalling £25,869 (2018: £65,474) to Capital Continuity Limited on normal commercial terms and a management charge of £80,000 (2018: £80,000) was received from Capital Continuity Limited. Mr J Brooker is a director and shareholder of Capital Continuity Limited.

The Company made available a loan to Global Steel Exports Limited. The balance at the year end owed to Storm Technologies Limited was £521 (2018: £521). Mr J R Brooker is a director and shareholder of Global Steel Exports Limited.

The Company made available a working capital loan to Storm Technologies Limited Magyarországi Fiók. The balance at the year end owed to Storm Technologies Limited was £330,519 (2018: £61,666). The Company also sold computer equipment totalling £3,659 (2018: £8,253) to Storm Technologies Magyarországi Fiók on normal commercial terms. Mr J R Brooker is a director and shareholder of Storm Technologies Magyarországi Fiók.

STORM TECHNOLOGIES LIMITED

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

28. Post balance sheet events

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases, particularly in the United Kingdom. Measures taken by the government to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as health and safety measures for our employees (such as social distancing and working from home) and securing the supply of goods essential to our operational process.

At this stage, the impact on our business and results has not been significant (and based on our experience to date we expect this to remain the case. As we operate in the Information Technology sector we have found increased demand for our products/services and expect this to continue. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our employees.

29. Controlling party

The controlling party is Storm Technologies Group Limited by virtue of its combined 100% shareholding.