

EXCELERATE TECHNOLOGY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020



EXCELERATE TECHNOLOGY LTD

COMPANY INFORMATION

Directors

Bethan Lyanne Evans
Simon James Hill
Martin Peter Saunders
David Savage
Nicola Ann Savage

Registered number 04260093

Registered office

Willow House
St Mellons
Cardiff
Cardiff
CF3 0LW

Independent auditor

Crowe U.K. LLP
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

EXCELERATE TECHNOLOGY LTD

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EXCELERATE TECHNOLOGY LTD

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2020**

The chairman presents his statement for the period.

Obviously, it will not have escaped anyone's attention that this particular year included a significant period of COVID induced lockdowns and international travel restrictions so I think for Excelerate to deliver the results it did would make most CEO's and shareholders in other companies envious. And yet we are not celebrating because I believe any real impact of Covid is not likely to hit Excelerate until next year. This year's results and in particular the improvement in our cash position was achieved because we went into the 2020 financial year with a strong order book, particularly from the Middle East where a proportion of that business must be transacted through the UK business,

The order pipeline for the Middle East is exceptionally strong but we will not be able to get those significant orders over the line until we are allowed to travel and conduct business in the GCC and other counties as normal. This is therefore likely to affect our 2021 year adversely. That said whilst 2020 has been challenging the number of opportunities for Excelerate's expanding "Connect your world" program has increased significantly and the benefits of solutions we have developed and are developing for customers and clients to be able to connect anywhere is increasing substantially. This is improving our market and product diversity significantly and opens new business sectors within our core 1st Responder markets as well as new ones in wider geographic areas in greater volumes which will shorten sales cycles and smooth out the "lumpiness" of Excelerate's usual core business.

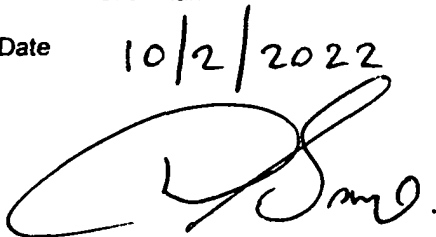
As for the 2020 year end results then I think a 2020 turnover of £8.2 Million and a pre £305k provision against our Australian subsidiary Pre Tax Profit of just over £1 Million against a previous year at £8.9 Million and £1.16 Million is acceptable in the circumstances leaving the balance sheet net assets strong and increasing from £3.5 Million to £4.2 Million. I am particularly pleased with our cash position which increased from £474K in 2019 to almost £2 million in 2020, standing us in good stead for 2021 as we try to deal with a world much changed by Covid.

Now is an appropriate time to take the most prudent approach regarding the provision as Covid continues to make our international investments more difficult to capitalise from in the short term. Even with the provision I consider our results to be more than acceptable.

Name David Savage
Chairman

Date

10/2/2022



EXCELERATE TECHNOLOGY LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2020

The directors present their report and the financial statements for the year ended 31 October 2020.

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

Bethan Lyanne Evans
Simon James Hill
Martin Peter Saunders
David Savage
Nicola Ann Savage

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.

EXCELERATE TECHNOLOGY LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020**

Post balance sheet events and going concern

There have been no significant events affecting the Company since the year end. In the light of the current climate in relation to the COVID-19 pandemic, the directors have reviewed the Company's finances which confirm that the Company has adequate support and funding available from current cash balances and loan agreements to continue in operational existence for the foreseeable future. The directors believe there is no material uncertainties that call into doubt the Company's ability to continue as a going concern and the accounts have therefore been prepared on the basis that the Company is a going concern.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 10/2/2022 and signed on its behalf.



David Savage
Director

EXCELERATE TECHNOLOGY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXCELERATE TECHNOLOGY LTD

Opinion

We have audited the financial statements of Exceletrate Technology Ltd (the 'Company') for the year ended 31 October 2020, which comprise the Statement of income and retained earnings, the Balance sheet 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 October 2020 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.

EXCELERATE TECHNOLOGY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXCELERATE TECHNOLOGY LTD (CONTINUED)

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

EXCELERATE TECHNOLOGY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXCELERATE TECHNOLOGY LTD (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, 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.

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, 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.



Chris Mould (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date:

11/2/2022

EXCELERATE TECHNOLOGY LTD

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 OCTOBER 2020

	Note	2020 £	2019 £
Turnover		8,218,642	8,918,585
Cost of sales		(3,459,912)	(4,229,892)
Gross profit		4,758,730	4,688,693
Administrative expenses		(3,962,867)	(3,460,138)
Other operating income		27,586	14,329
Operating profit		823,449	1,242,884
Interest receivable and similar income		1,060	-
Interest payable and similar expenses		(99,295)	(74,306)
Profit before tax		725,214	1,168,578
Tax on profit		(108,174)	(137,272)
Profit after tax		617,040	1,031,306
Retained earnings at the beginning of the year		3,529,375	2,498,069
		3,529,375	2,498,069
Profit for the year		617,040	1,031,306
Retained earnings at the end of the year		4,146,415	3,529,375
The notes on pages 10 to 25 form part of these financial statements.			

EXCELERATE TECHNOLOGY LTD
REGISTERED NUMBER: 04260093

BALANCE SHEET
AS AT 31 OCTOBER 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Intangible assets	6	20,477	32,400
Tangible assets	7	1,738,821	1,803,517
Investments	8	82,266	82,266
		<u>1,841,564</u>	<u>1,918,183</u>
Current assets			
Stocks	9	624,824	795,053
Debtors: amounts falling due after more than one year	10	346,212	228,940
Debtors: amounts falling due within one year	10	5,602,482	4,850,157
Cash at bank and in hand	11	1,968,295	474,259
		<u>8,541,813</u>	<u>6,348,409</u>
Creditors: amounts falling due within one year	12	(4,432,992)	(3,371,125)
Net current assets		<u>4,108,821</u>	<u>2,977,284</u>
Total assets less current liabilities		<u>5,950,385</u>	<u>4,895,467</u>
Creditors: amounts falling due after more than one year	13	(1,783,378)	(1,221,217)
Provisions for liabilities			
Deferred tax	16	(18,168)	(142,451)
		<u>(18,168)</u>	<u>(142,451)</u>
Net assets		<u><u>4,148,839</u></u>	<u><u>3,531,799</u></u>
Capital and reserves			
Called up share capital		2,121	2,121
Capital redemption reserve		303	303
Profit and loss account		4,146,415	3,529,375
		<u><u>4,148,839</u></u>	<u><u>3,531,799</u></u>

EXCELERATE TECHNOLOGY LTD
REGISTERED NUMBER: 04260093

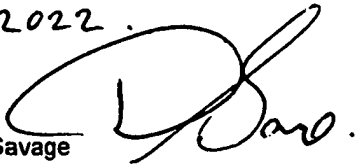
BALANCE SHEET (CONTINUED)
AS AT 31 OCTOBER 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

10/02/2022.

David Savage
Director



The notes on pages 10 to 25 form part of these financial statements.

EXCELERATE TECHNOLOGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

1. General information

Excelerate Technology Ltd (the "Company") is a private company limited by shares and incorporated in England and Wales. The registered office of the Company is Willow House, Pascal Close, St Mellons, Cardiff, CF3 0LW.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared a detailed financial forecast for a period of at least twelve months from the date of approval of the financial statements, including an appropriate assessment for the on-going impact of the COVID-19 pandemic. In undertaking this assessment, the directors have considered the current strong financial position of the Group, including the ongoing support of the bank loan facilities, the recurring revenue arising from existing contracts and the proven ability of the Company to manage and mitigate costs if further adverse events were to arise from the pandemic or other similar factors. The bank have provided a waiver in respect of any potential bank covenant breaches in 2021 as further confirmation of their ongoing support to the company. Having taken all of these factors into account, the directors have concluded that there is a reasonable expectation, based on all available information, that the Company will continue in operational existence for the foreseeable future and accordingly these financial statements are prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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 income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 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.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

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 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 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.

EXCELERATE TECHNOLOGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.12 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

The estimated useful lives range as follows:

Patents	-	25	% straight line
Development expenditure	-	25	% straight line

2.13 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Long-term leasehold property	-	6.67-10% straight line
Plant and machinery	-	25-50% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line
Yachts	-	4% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.15 Stocks

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

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.20 Financial instruments (continued)

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 income and retained earnings.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

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

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Useful economic lives of fixed assets

The annual depreciation charge for the fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 6 and 7 for the carrying amount of the fixed assets and Notes 2.12 and 2.13 for the useful lives for each class of assets.

Carrying value of intercompany receivables and investments in subsidiaries

The recoverability of intercompany receivables is dependent on a number of forecast trading projections within each subsidiary undertaking. To the extent the asset is not considered recoverable, a provision is recognised against the asset.

The investments in the subsidiaries are carried as per note 2.14, at cost less impairment. It is a management judgement whether any provision should be put in place against the investment carrying value.

Deferred revenue recognition from long term contracts

For the longer term provision of support and services, income is recognised evenly over the term of the agreement to which it relates. The level of support and service provided may vary throughout this term, however the assessment of this probability is a management judgement, which inherently includes a certain degree of uncertainty, and best estimate has been decided to allocate the income over the term of the agreements.

4. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £14,500 (2019 - 19,950).

5. Employees

The average monthly number of employees, including directors, during the year was 35 (2019 - 38).

EXCELERATE TECHNOLOGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
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6. Intangible assets

	Patents £	Development £	Total £
Cost			
At 1 November 2019	76,504	18,130	94,634
Additions	5,980	-	5,980
At 31 October 2020	82,484	18,130	100,614
Amortisation			
At 1 November 2019	49,412	12,822	62,234
Charge for the year on owned assets	14,428	3,475	17,903
At 31 October 2020	63,840	16,297	80,137
Net book value			
At 31 October 2020	18,644	1,833	20,477
At 31 October 2019	27,092	5,308	32,400

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NOTES TO THE FINANCIAL STATEMENTS
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7. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Yachts £	Total £
Cost or valuation					
At 1 November 2019	257,463	507,651	467,041	1,523,178	2,755,333
Additions	-	43,521	55,200	57,746	156,467
At 31 October 2020	257,463	551,172	522,241	1,580,924	2,911,800
Depreciation					
At 1 November 2019	226,600	422,012	172,629	130,575	951,816
Charge for the year on owned assets	14,027	47,673	104,635	54,828	221,163
At 31 October 2020	240,627	469,685	277,264	185,403	1,172,979
Net book value					
At 31 October 2020	16,836	81,487	244,977	1,395,521	1,738,821
At 31 October 2019	30,863	85,639	294,412	1,392,603	1,803,517

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

	2020 £	2019 £
Plant and machinery	-	997
Motor vehicles	240,224	287,883
Yachts	1,395,521	1,392,603
	<u>1,635,745</u>	<u>1,681,483</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2019	82,266
At 31 October 2020	<u>82,266</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Excelsate Security Solutions Limited	Willow House, Pascal Close, Cardiff, UK, CF3 0LW	Ordinary	100%
Excelsate Technology PTY Limited	Level 2, Riverside Quay, 1 Southbank Boulevard, Southbank VIC 3006	Ordinary	100%
Excelsate Technology LLC Limited	Office number 1029, C2 Tower, Al Bateen, Kind Abdullah Al Saud, Abu Dhabi, UAE	Ordinary	49%
Excelsate Marine SARL	1681 Route des Dolines, Sophia Antipolis, 06560 Valbonne, France	Ordinary	100%

9. Stocks

	2020 £	2019 £
Raw materials and consumables	647,922	775,417
Work in progress (goods to be sold)	(23,098)	19,636
	<u>624,824</u>	<u>795,053</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

10. Debtors

	2020	<i>As restated</i>
	£	2019
		£
Due after more than one year		
Other debtors	346,212	228,940
	<u>346,212</u>	<u>228,940</u>
	2020	2019
	£	£
Due within one year		
Trade debtors	2,431,205	2,155,144
Amounts owed by group undertakings	1,395,840	1,139,229
Other debtors	1,557,494	1,234,923
Prepayments and accrued income	217,943	320,861
	<u>5,602,482</u>	<u>4,850,157</u>

11. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	1,968,295	474,259
	<u>1,968,295</u>	<u>474,259</u>

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NOTES TO THE FINANCIAL STATEMENTS
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12. Creditors: Amounts falling due within one year

	2020	As restated 2019
	£	£
Bank loans	657,583	10,150
Trade creditors	630,605	1,003,056
Corporation tax	267,354	271,517
Other taxation and social security	423,916	51,225
Obligations under finance lease and hire purchase contracts	224,376	150,345
Other creditors	52,530	104,297
Accruals and deferred income	2,176,628	1,780,535
	<u>4,432,992</u>	<u>3,371,125</u>

The bank loans are secured by fixed and floating charges over all property, assets and rights of the Company. The Company and its subsidiary Excelerate Security Solutions Limited have cross guaranteed the bank borrowings of each other.

Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate.

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

	2020	2019
	£	£
Bank loans	546,408	-
Net obligations under finance leases and hire purchase contracts	1,031,943	1,176,840
Accruals and deferred income	205,027	44,377
	<u>1,783,378</u>	<u>1,221,217</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	657,583	10,150
	657,583	10,150
Amounts falling due 2-5 years		
Bank loans	546,408	-
	546,408	-
	1,203,991	10,150

15. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	224,376	150,345
Between 1-5 years	563,658	666,858
Over 5 years	468,284	509,982
	1,256,318	1,327,185

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NOTES TO THE FINANCIAL STATEMENTS
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16. Deferred taxation

	2020 £
At beginning of year	(142,451)
Charged to profit or loss	124,283
At end of year	(18,168)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(175,527)	(144,063)
Short term timing differences - trading	157,359	1,612
	(18,168)	(142,451)

17. Prior year adjustment

A prior year adjustment has been identified to separate the disclosure of tax recoverable from the Corporation Tax liability. The adjustment of £228,940 increases the Corporation Tax liability (included within creditors less than one year) and increases tax recoverable (included within debtors due in more than one year).

In addition, there is no formal agreement in place with the companies that intercompany balances exist for. The balances have therefore been reclassified from being due in more than one year to being due in less than one year.

18. Commitments under operating leases

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

	2020 £	2019 £
Not later than 1 year	33,635	47,089
Later than 1 year and not later than 5 years	16,436	30,292
	50,071	77,381

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

19. Related party transactions

At the year end D Savage, a director, owed the company £1,403,689 (2019: £1,082,853), and Martin Saunders, a Director, owed the company £108,250 (2019: £68,250). These were loans authorised by written resolution of the shareholders. No interest has been charged on this loan (2019: £Nil) and there has been no repayments during the year. The loan is repayable on demand and repayment is not expected earlier than 31 October 2021.

20. Controlling party

The ultimate controlling party is director D Savage by virtue of his majority shareholding of voting share capital throughout the current and previous year.

The group is exempt from preparing consolidated financial statements as it is small under the Companies Act 2006.