

Company Registration No. 04754200 (England and Wales)

SYSGROUP TRADING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



SYSGROUP TRADING LIMITED

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SYSGROUP TRADING LIMITED

COMPANY INFORMATION

Directors:	A Binks M Audcent
Registered office:	Walker House, Exchange Flags, Liverpool, L2 3YL
Company number:	04754200 (England and Wales)
Auditors:	BDO LLP 3 Hardman Street Spinningfields Manchester, M3 3AT

SYSGROUP TRADING LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

Principal activities and review of the business

The principal activity of SysGroup Trading Limited continues to be the supply of IT Managed Services.

The results for the year and the financial position at the year-end were considered satisfactory by the directors. The company had organic revenue growth in recurring contracted income but the overall turnover decrease resulted from lower sales of value added resale ("VAR") compared to the prior year. VAR income is from the sale of IT hardware and licences to customers and sales are subject to the timing and size of customer asset refresh cycles. In the prior year the company had a large one-off VAR contract of £0.9m sale value. The directors expect the company to trade with growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 9. A dividend of nil (2018: nil) was paid out during the year, and no dividend is recommended by the Directors for the current year.

Directors

The directors who have held office during the year and to the date of this report are as follows:

- A Binks
- J Llewellyn (resigned 27 June 2018)
- M Audcent (appointed 16 July 2018)

Auditor

BDO LLP have expressed their willingness to continue in office as auditors. A resolution to re-appoint BDO LLP as auditors of the company will be put to the Annual General Meeting.

SYSGROUP TRADING LIMITED

REPORT OF THE DIRECTORS

FOR THE PERIOD TO 31 MARCH 2019

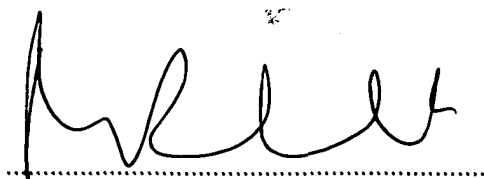
Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small Companies Exemption

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006 which provide limited application of the exemption of Section 417 (1) of the Companies Act 2006 for smaller companies in producing a Strategic Report.

On behalf of the Board:

A handwritten signature in black ink, appearing to read 'M Audcent', written over a horizontal dotted line.

M Audcent

Director

Date: 15-10-19

SYSGROUP TRADING LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES

FOR THE PERIOD TO 31 MARCH 2019

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures discussed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

SYSGROUP TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SYSGROUP TRADING LIMITED

Opinion

We have audited the financial statements of SysGroup Trading Limited for the year ended 31 March 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, and the related notes. 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 March 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 UK, including the FRC'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.

SYSGROUP TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SYSGROUP TRADING LIMITED (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.

Opinions 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Director's 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.

SYSGROUP TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SYSGROUP TRADING LIMITED (CONTINUED)

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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 at the Financial Reporting Council's website at:

<https://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.

BDO LLP

Gary Harding (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester

16 October 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SYSGROUP TRADING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR TO 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover		4,396,805	5,559,709
Cost of sales		(1,544,465)	(2,468,694)
Gross profit		2,852,340	3,091,015
Administrative expenses		(2,491,802)	(2,887,282)
Exceptional costs	2	(89,617)	-
Operating profit	3	270,921	203,733
Interest payable and similar charges	5	(2,980)	(5,592)
Profit on ordinary activities before taxation		267,941	198,141
Tax on profit on ordinary activities	6	(29,775)	151,061
Profit for the year		238,166	349,202
Other comprehensive income		-	-
Total comprehensive income for the year		238,166	349,202

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 - 20 form part of these financial statements.

SYSGROUP TRADING LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	£	2019 £	2018 £
Fixed assets				
Intangible assets	7		4,875	-
Tangible assets	8		255,967	259,530
			<u>260,842</u>	<u>259,530</u>
Current assets				
Debtors	9	1,243,615	1,135,665	
Cash at bank		590,031	569,480	
		<u>1,833,646</u>	<u>1,705,145</u>	
Creditors: amounts falling due within one year	10	(833,338)	(889,827)	
Net current assets			<u>1,000,308</u>	<u>815,318</u>
Total assets less current liabilities			1,261,150	1,074,848
Creditors: amounts falling due after more than one year	11	-	-	(46,219)
Provisions for liabilities	12	(14,278)	(14,278)	(19,923)
Net assets			<u>1,246,872</u>	<u>1,008,706</u>
Capital and reserves				
Called up share capital	13		103	103
Profit and loss account			1,246,769	1,008,603
Shareholders funds			<u>1,246,872</u>	<u>1,008,706</u>

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 provision of FRS 102 Section 1A - small entities.

The financial statements were approved by the Board of Directors and authorised for issue on 15-10-19 October and were signed on its behalf by:

M Audcent

Director

Company Registration No. 04754200

The notes on pages 12 -20 form part of these financial statements.

SYSGROUP TRADING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Attributable to equity holders of the Company		
	Share capital	Profit and loss account	Total
	£	£	£
At 1 April 2017	103	659,401	659,504
Profit and total comprehensive income for the period	-	349,202	349,202
At 31 March 2018	103	1,008,603	1,008,706
Profit and total comprehensive income for the period	-	238,166	238,166
At 31 March 2019	103	1,246,769	1,246,872

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Profit and loss account	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

SYSGROUP TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

8 Tangible fixed assets

	Office Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 April 2018	611,374	78,391	689,765
Additions	61,535	79,950	141,485
At 31 March 2019	672,909	158,341	831,250
Depreciation			
At 1 April 2018	357,797	72,438	430,235
Charge for the year	130,011	15,037	145,048
At 31 March 2019	487,808	87,475	575,283
Net book value			
At 31 March 2019	185,101	70,866	255,967
At 31 March 2018	253,577	5,953	259,530

The net book value of tangible fixed assets includes £97,273 (2018: £165,263) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £67,990 (2018: £56,420) for the year.

9 Debtors: due within one year

	2019 £	2018 £
Trade debtors	441,296	369,729
Other debtors	1,245	81,045
Amounts due from Parent undertaking	738,090	559,536
Prepayments	62,984	125,355
	1,243,615	1,135,665

SYSGROUP TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

10 Creditors: amounts falling due within one year	2019	2018
	£	£
Hire purchase contracts and finance leases	46,103	55,195
Trade creditors	413,531	382,726
Social security and other taxes	82,321	207,088
Deferred income	184,080	146,146
Accruals	107,303	98,672
	<u>833,338</u>	<u>889,827</u>
11 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Hire purchase contracts and finance leases	-	46,219
	<u>-</u>	<u>46,219</u>
Net obligations under hire purchase contracts		
Liabilities falling due within one year	46,103	55,195
Liabilities falling due after more than one year	-	46,219
	<u>46,103</u>	<u>101,414</u>
Hire purchase creditors are secured on the asset concerned.		
12 Deferred Tax	2019	2018
	£	£
At beginning of year	19,923	-
Charged to the profit and loss	(5,645)	19,923
	<u>14,278</u>	<u>19,923</u>
At end of year	14,278	19,923
The provision for deferred taxation us made up as follows:		
	2019	2018
	£	£
Short term timing differences	14,278	19,923
	<u>14,278</u>	<u>19,923</u>

SYSGROUP TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2019****13 Called up share capital**

Allotted, issued and fully paid: Number	Class	Nominal value:	2019 £	2018 £
103	Ordinary shares	£1	103	103
			<u>103</u>	<u>103</u>

14 Commitments under operating leases

The total future minimum commitments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Within one year	83,880	126,505
Within 2-5 years	27,960	163,621
After 5 years	-	-
	<u>111,840</u>	<u>290,126</u>

15 Related party transactions

The company has taken advantage of the exemption available in accordance with section 33 of FRS102 'Related party disclosures' not to disclose transactions entered into between two or more members of a group. There are no other related party transactions.

16 Ultimate parent undertaking and controlling party

The ultimate parent company is SysGroup Plc, a company registered in England and Wales. SysGroup Plc prepares group financial statements and copies can be obtained from Sixth Floor Walker House, Exchange Flags, Liverpool, L2 3YL.

This is the smallest and largest group of which the company is a member.