

Registration number: 08493548

Active8 Managed Technologies Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2019



Saul Fairholm Limited
12 Tentercroft Street
Lincoln
Lincolnshire
LN5 7DB

Active8 Managed Technologies Limited

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Active8 Managed Technologies Limited

Company Information

Directors	Mr D J Hayward
	Mr K P Ingman
	Mr A Patterson
	Mr N Swindin
	Mr R T Appleton
	Mr C G V Daniels
Registered office	Unit 15 Halifax Court
	Fernwood Business Park, Cross Lane, Fernwood
	Newark
	Nottinghamshire
Auditors	NG24 3JP
	Saul Fairholm Limited
	12 Tentercroft Street
	Lincoln
	Lincolnshire
	LN5 7DB

Active8 Managed Technologies Limited

Directors' Report for the Year Ended 30 September 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

The company has increased re-occurring sales income during the year with regards to service contract sales to £3,137,922 (2018: £2,776,014) and maintained the direct gross profit margin on such sales at 63.6% (2018: 66.1%). Service contracts have an average term of 3 years and are a direct result of the company selling print solution equipment, sales of which have totalled £3,389,665 during the year (2018: £3,911,850). The direct gross profit margin on equipment sales has increased to 39.6% (2018: 25.8%) during the year. Sales of print solution equipment annually corresponds to increasing re-occurring sales income year on year.

Directors of the company

The directors who held office during the year were as follows:

Mr D J Hayward

Mr M J Bramah (ceased 1 October 2019)

Mr K P Ingman

Mr A Patterson

Mr N Swindin

Mr R T Appleton

The following director was appointed after the year end:

Mr C G V Daniels (appointed 1 January 2020)

Principal activity

The principal activity of the company is IT, print and telephony solutions.

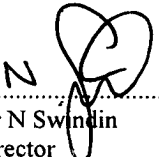
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 3 June 2020 and signed on its behalf by:


.....
Mr N Swindin
Director

Active8 Managed Technologies Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 and apply them consistently;
- make judgements 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 enable them to ensure that the financial statements comply with the Companies Act 2006 and in accordance with FRS 102. 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.

Active8 Managed Technologies Limited

Independent Auditor's Report to the Members of Active8 Managed Technologies Limited

Opinion

We have audited the financial statements of Active8 Managed Technologies Limited (the 'company') for the year ended 30 September 2019, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, 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 FRS 102 Section 1A '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 30 September 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.

The comparative period values were not audited as the company was exempt per section 477 of the Companies Act 2006 relating to small companies.

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.

Active8 Managed Technologies Limited

Independent Auditor's Report to the Members of Active8 Managed Technologies Limited

Opinion on other matter 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], 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.

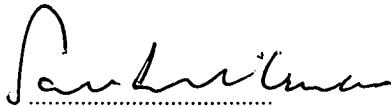
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Active8 Managed Technologies Limited

Independent Auditor's Report to the Members of Active8 Managed Technologies Limited



Roger White (Senior Statutory Auditor)
For and on behalf of Saul Fairholm Limited, Statutory Auditor

12 Tentercroft Street
Lincoln
Lincolnshire
LN5 7DB

Date: 3rd June 2020

Active8 Managed Technologies Limited

Profit and Loss Account for the Year Ended 30 September 2019

	Note	2019 £	2018 £
Turnover		7,094,988	7,467,427
Cost of sales		<u>(5,578,193)</u>	<u>(5,839,078)</u>
Gross profit		1,516,795	1,628,349
Administrative expenses		(1,017,612)	(1,171,930)
Other operating income		<u>1,194</u>	<u>10,565</u>
Operating profit		500,377	466,984
Interest payable and similar expenses		<u>(38,835)</u>	<u>(16,096)</u>
Profit before tax	4	<u>461,542</u>	<u>450,888</u>
Profit for the financial year		<u><u>461,542</u></u>	<u><u>450,888</u></u>

The above results were derived from continuing operations.

The notes on pages 11 to 17 form an integral part of these financial statements.

Active8 Managed Technologies Limited

Statement of Comprehensive Income for the Year Ended 30 September 2019

	2019	2018
	£	£
Profit for the year	461,542	450,888
Surplus on revaluation of other assets	<u>-</u>	<u>95,188</u>
Total comprehensive income for the year	<u><u>461,542</u></u>	<u><u>546,076</u></u>

The notes on pages 11 to 17 form an integral part of these financial statements.

Active8 Managed Technologies Limited

(Registration number: 08493548)

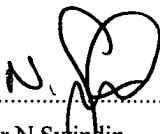
Balance Sheet as at 30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	5	155,389	7,785
Tangible assets	6	<u>121,317</u>	<u>117,506</u>
		<u>276,706</u>	<u>125,291</u>
Current assets			
Stocks	7	1,293,615	1,074,650
Debtors	8	881,176	584,583
Cash at bank and in hand		<u>-</u>	<u>188,250</u>
		2,174,791	1,847,483
Creditors: Amounts falling due within one year	9	<u>(2,440,980)</u>	<u>(2,287,660)</u>
Net current liabilities		<u>(266,189)</u>	<u>(440,177)</u>
Total assets less current liabilities		10,517	(314,886)
Creditors: Amounts falling due after more than one year	9	<u>(1,008,038)</u>	<u>(1,144,177)</u>
Net liabilities		<u>(997,521)</u>	<u>(1,459,063)</u>
Capital and reserves			
Called up share capital		4,000	4,000
Revaluation reserve		95,188	95,188
Profit and loss account		<u>(1,096,709)</u>	<u>(1,558,251)</u>
Total equity		<u>(997,521)</u>	<u>(1,459,063)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken. The Auditors report in respect of these financial statements was unqualified with no emphasis of matter. The Senior Statutory Auditor was Roger White of Saul Fairholm Limited (Statutory Auditor).

Approved and authorised by the Board on 3 June 2020 and signed on its behalf by:



 Mr N Swindin
 Director

The notes on pages 11 to 17 form an integral part of these financial statements.

Active8 Managed Technologies Limited

Statement of Changes in Equity for the Year Ended 30 September 2019

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 October 2018	4,000	95,188	(1,558,251)	(1,459,063)
Profit for the year	-	-	461,542	461,542
Total comprehensive income	-	-	461,542	461,542
At 30 September 2019	4,000	95,188	(1,096,709)	(997,521)
	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 October 2017	4,000	-	(2,009,139)	(2,005,139)
Profit for the year	-	-	450,888	450,888
Other comprehensive income	-	95,188	-	95,188
Total comprehensive income	-	95,188	450,888	546,076
At 30 September 2018	4,000	95,188	(1,558,251)	(1,459,063)

Active8 Managed Technologies Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office and principal place of business is:

Unit 15 Halifax Court

Fernwood Business Park, Cross Lane, Fernwood

Newark

Nottinghamshire

NG24 3JP

These financial statements were authorised for issue by the Board on 3 June 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The financial statements have been prepared on a going concern basis. The company start up capital was provided by a private investor who has become a director after date. As a result the company has had a negative balance sheet position since its' incorporation. The years since incorporation have seen the company move towards a positive balance sheet position through the generation of profits. The company will continue to move towards a positive balance sheet position with the continued support of the directors and third party funding.

Coronavirus (Covid-19) Pandemic

Management have assessed the risks presented by the Pandemic and have secured government backed funding and taken advantage of government schemes to mitigate those risks.

The company has secured government backed funding after date to ensure it has the necessary liquidity to meet operating costs and requirements over the period that the government has implemented restrictions which have effect on the company's ability to trade normally.

Government job retention schemes for furloughed employees will allow the company to reduce its cost structure. Employee costs represent a large proportion of the company's cost structure. Reducing these costs whilst maintaining a significant amount of contracted monthly service contract revenue will provide the company with cash flows to service its debt requirements and base running costs.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on was Roger White, who signed for and on behalf of Saul Fairholm Limited.

Active8 Managed Technologies Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	33% straight line
Other property, plant and equipment	25% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 3 years straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Active8 Managed Technologies Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

Stocks

Stock is comprised of three main elements which are valued as described below:-

Machine stock and service stock are valued at the lower of cost and estimated selling price less costs to sell. Cost is determined using the first in, first out (FIFO) method.

Stock in field is the consumable toner, ink and parts which are on site with the relevant photocopier machines. The stock is valued on a usage basis using an average cost calculation.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced and the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Active8 Managed Technologies Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors with contracts of employment) during the year was 54 (2018 - 50).

4 Profit before tax

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	29,118	15,911
Amortisation expense	<u>26,771</u>	<u>7,083</u>

5 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 October 2018	21,250	21,250
Additions acquired separately	<u>174,375</u>	<u>174,375</u>
At 30 September 2019	<u>195,625</u>	<u>195,625</u>
Amortisation		
At 1 October 2018	13,465	13,465
Amortisation charge	<u>26,771</u>	<u>26,771</u>
At 30 September 2019	<u>40,236</u>	<u>40,236</u>
Carrying amount		
At 30 September 2019	<u>155,389</u>	<u>155,389</u>
At 30 September 2018	<u>7,785</u>	<u>7,785</u>

Active8 Managed Technologies Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

6 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 October 2018	235,102	16,381	251,483
Additions	<u>38,164</u>	<u>-</u>	<u>38,164</u>
At 30 September 2019	<u>273,266</u>	<u>16,381</u>	<u>289,647</u>
Depreciation			
At 1 October 2018	117,596	16,381	133,977
Charge for the year	<u>34,353</u>	<u>-</u>	<u>34,353</u>
At 30 September 2019	<u>151,949</u>	<u>16,381</u>	<u>168,330</u>
Carrying amount			
At 30 September 2019	<u>121,317</u>	<u>-</u>	<u>121,317</u>
At 30 September 2018	<u>117,506</u>	<u>-</u>	<u>117,506</u>

Revaluation

The fair value of the company's furniture, fittings and equipment was subject to an internal revaluation on 30 September 2018. An independent valuer was not involved.

7 Stocks

	2019 £	2018 £
Finished goods and goods for resale	36,074	40,642
Other inventories	<u>1,257,541</u>	<u>1,034,008</u>
	<u>1,293,615</u>	<u>1,074,650</u>

Active8 Managed Technologies Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

8 Debtors

	Note	2019 £	2018 £
Trade debtors		667,351	525,678
Amounts owed by group undertakings and undertakings in which the company has a participating interest	13	126,582	27,549
Prepayments		76,658	17,181
Other debtors		10,585	14,175
		<u>881,176</u>	<u>584,583</u>

9 Creditors

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	11	696,661	394,692
Trade creditors		562,576	581,978
Amounts owed to group undertakings and undertakings in which the company has a participating interest	13	509,724	497,117
Taxation and social security		245,917	219,693
Other creditors		426,102	594,180
		<u>2,440,980</u>	<u>2,287,660</u>
Due after one year			
Loans and borrowings	11	<u>1,008,038</u>	<u>1,144,177</u>

10 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the prior year were as follows:

	Revaluation reserve £	Total £
Surplus on revaluation of other assets	<u>95,188</u>	<u>95,188</u>

Active8 Managed Technologies Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

11 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Other borrowings	<u>1,008,038</u>	<u>1,144,177</u>
	2019 £	2018 £
Current loans and borrowings		
Bank overdrafts	163,158	-
Finance lease liabilities	34,437	24,970
Other borrowings	<u>499,066</u>	<u>369,722</u>
	<u>696,661</u>	<u>394,692</u>

Other borrowings

Finance leases is denominated in £ with a nominal interest rate of market rate. The carrying amount at year end is £34,437 (2018 - £24,970).

The finance leases are secured on the related asset.

Other loans is denominated in £ with a nominal interest rate of market rate. The carrying amount at year end is £1,507,104 (2018 - £1,513,899).

The loan is secured by a fixed and floating charge over the assets of the company.

12 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £37,284 (2018 - £Nil).

13 Related party transactions

The amount due to/ from group companies at the year end is disclosed in notes 8 and 9.

Loans from key management are disclosed in note 11 under other borrowings.

14 Parent and ultimate parent undertaking

The company's immediate parent is A8MT Holdings Limited, incorporated in England.

The ultimate controlling party is the directors.