

Registered number: 11370659

CAERUS ASSETS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019



CAERUS ASSETS LIMITED

COMPANY INFORMATION

Directors	R Behan (appointed 14 November 2018) J Harling (appointed 18 May 2018)
Registered number	11370659
Registered office	CAE House Colonial Way Watford United Kingdom WD24 4PT
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

CAERUS ASSETS LIMITED

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CAERUS ASSETS LIMITED
GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 30 JUNE 2019

Introduction

CAERUS Assets Limited was incorporated on 18 May 2018, and thereafter acquired (on 14 November 2018) CAE Technology Holdings and all group related companies in a Management Buyout by two previous directors of CAE Technology Holdings. The accounts are for the period from the 18 May 2018 to 30 June 2019, with the results for the trading Company, CAE Technology Services, being consolidated from the date of acquisition i.e. 14 November 2018 to 30 June 2019.

Caerus Assets Limited Group ('CAE') is an IT infrastructure solutions provider through its main trading company CAE Technology Services Limited. The focus of the business is working with customers to design, implement and support core technology infrastructure comprising primarily of the network, data centre and digital workspace with an all-encompassing security wrap.

This is achieved by accrediting to the highest levels with the world's leading technology manufacturers, who have trusted, long term track records in providing products and services that require a provider to meet customer needs. The principal manufacturer relationships for CAE are Cisco, Dell EMC, Palo Alto and Microsoft with which the following accreditations are held and awards won.

Manufacturer	Accreditation
Cisco and Cisco Meraki	Gold Partner
Dell EMC	Platinum Partner
Palo Alto	Platinum Partner
Microsoft	Gold Partner

Manufacturer	Award
Cisco	Cisco Meraki UK&I Partner of the Year Cisco UK&I Public Sector Partner of the Year Cisco Meraki EMEAR Growth Partner of the Year
Dell EMC	UKI Growth Partner of the Year UDS UKI Partner of the Year
Palo Alto	Partner lead deal of the year – Betsi Cadwaladr Marketing partner of the year

CAE remains fundamentally manufacturer independent so that the correct solution for the customer is always paramount. Customer experience remains core to CAE's strategies and is reflected in customer retention of 96% of the top 100 customers by revenue (98% 2018).

Manufacturer solutions are packaged by CAE alongside its own services, under the Agility Services brand and the internal service desk function was awarded 3 stars by the Service Desk Institute during the year, which is the highest achievable at initial audit. These services establish strong underlying processes to allow the customer to be taken on a journey that address the fundamental IT demands of a fast-moving organisation. This includes a significant element of support services following the implementation of a solution that keeps it operational and continuously improves the end user experience.

CAE operates in a broad range of vertical markets and its ability to win significant contracts within the public sector space is reinforced by inclusion in the following frameworks.

- NHS Shared Business - Cloud Services
- JISC - Network Equipment
- RM3733 - Technology Services 2 (Lot 3);
- RM3808 - Network Services 2 (Lots 1, 2, 5, 10 & 13)
- Scottish Government - Cloud Services
- Scottish Government – Digital Technology Services DPS
- Welsh Government DPS – EdTech

CAERUS ASSETS LIMITED
GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 30 JUNE 2019

Business review

Financial results for the period ending June 2019 reflect just over 7 months of figures from the trading entity from the date of acquisition (14 November 2018).

The full year (from 1 July 2018 to 30 June 2019) results of the Group in Note 29 demonstrate the year on year growth, and the business's ability to win and deliver significantly larger deals and compete successfully with some of the more established resellers in the market. CAE experienced an increase in turnover of 27.9% with a corresponding increase in operating profit of 69.0%. The improvement in performance from previous investment reflects an increase in capability which has resulted in, and continues to, achieve growth in both turnover and profitability.

To continue to offer the best level of customer service across multiple technologies, there has been further investment across the business. Sales teams in regional branches have expanded with the offices opened last year firmly establishing themselves. Staff numbers increased by 14.0% to 275, just over half of which was investment in highly skilled technical teams. The investment in previous years has enhanced performance and is expected to improve the potential earnings of the business in future periods.

Principal risks and uncertainties

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

Financial risk

The ongoing volatility in currency markets continues to be a risk, but the Company minimises this by hedging the purchase of currency linked specifically to fulfilling orders. In addition, working capital requirements are monitored closely with contractual arrangements put in place to manage working capital as effectively as possible.

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

Foreign exchange risk

The Company is exposed to currency exchange rate risk as a significant proportion of its purchases are denominated in non-sterling currencies whereas its operating costs and receivables are denominated in sterling. This risk is mitigated by entering into derivative financial instruments (forward contracts) to purchase non-sterling currencies.

Market risk

The inherently competitive nature of the IT market results in a continual risk to an established customer base in each of the product and service areas. However, a strong feature of CAE is customer loyalty and breadth of accounts. The customer profile remains similar to the prior year, with the largest single customer representing 7.0% of turnover.

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

Resource risk

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

CAERUS ASSETS LIMITED
GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 30 JUNE 2019

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

Brexit

The possible risks resulting from Brexit have been identified, the main ones being product and service availability, price fluctuations due to tariffs, currency volatility and people resources. CAE is proactively seeking to mitigate these risks and is monitoring its own supply chain whilst being aware of manufacturer contingency plans. Despite market conditions and uncertainty, CAE's overseas turnover grew by 183.6% year on year, and CAE Technology Services BV (a wholly owned subsidiary of CAE Technology Services) was incorporated in the Netherlands during the year to support this growth and further mitigate supply chain issues.

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



J Harling
Director

Date: 24th January 2020

CAERUS ASSETS LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2019

The directors of CAERUS Assets Limited (the Group) present their report and the financial statements for the period ended 30 June 2019.

Principal activity

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

Results and dividends

The profit for the period, after taxation, amounted to £1,297,782.

The Group paid dividends of £Nil during the year.

Directors

The directors who served during the period and subsequently were:

R Behan (appointed 14 November 2018)
J Harling (appointed 18 May 2018)

Future developments

Following the Management Buyout in November 2018 of CAE Technology Holdings group, the future plan is to continue growing the business (CAE) with the same core activities and structure and preserving the existing culture which makes it the great business that it is. Overseas development is set to continue and the group is considering expansion in the Indian market.

The reliance of a significant proportion of businesses on technology and the pace of change in the development of that technology continues to drive an overall market that consistently grows faster than GDP. However, it remains a highly competitive marketplace with a number of resellers committing to volume growth and employment in large numbers that puts pressure on margins and customer acquisition and retention.

Against this model CAE is focused on services and customers where value is more important, but this does require greater investment in more expensive resources and a continuing battle to ensure service offerings stay ahead of the commoditised market.

Involvement in larger projects as our capability increases has driven further success but this business can be less predictable and requires greater upfront investment of resource, so it has been balanced by an increase in contracted service, which provides a stable platform to build from.

The employees of CAE continue to be at the centre of delivering a differentiated customer service and there is a strong commitment to personal growth and development.

Going Concern

The main trading entity, CAE Technology Services, experienced an increase in turnover of 27.9% and a corresponding increase in operating profit of 69.0%

Business continued to be derived from a wide range of vertical markets and a customer base of approximately 1000 spending accounts, with the largest single customer representing 7.0% of turnover.

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

CAERUS ASSETS LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2019

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

Banking facilities remain in place with Lloyds Bank including the loan and a discounting facility. It is the opinion of the Directors that the continued arrangements will adequately support the business for future growth.

All covenants attached to the loan were met throughout the course of the year.

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

With IT solutions still regarded as a key enabler for business growth and in the majority of cases representing non-discretionary budget, irrespective of macro-economic factors, the Directors believe that the forecasts are prudent and achievable and therefore the company is a going concern for the foreseeable future, being at least 12 months from the date of the sign off on these financial statements.

Qualifying third party indemnity provisions

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

Employee engagement

At CAE, the people are the source of agility, which differentiates the business and ultimately drives success. Every person plays a part in achieving the shared objectives, which helps the CAE family grow, learn and develop; professionally and personally. In 2019, CAE was voted #43 in the Sunday Times Best Companies Awards.

The group routinely provides information to its employees through a variety of mediums, ensuring that information is disseminated regarding financial performance and/or matters affecting business as a whole. This is achieved through 1:1 departmental and regional meetings, regular bulletins, updates on the intranet portal and messaging from the CEO regularly throughout the year.

Charitable and political donations

The group did not pay any political donations and charitable donations totalled £14,128 (2018: £5,668).

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then 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 Group will continue in business.

CAERUS ASSETS LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2019

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


J Marling
Director
Date: 24th January 2020

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

Opinion

We have audited the financial statements of Caerus Assets Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 30 June 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2019 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



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

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 Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.

Grant Thornton UK LLP

Anthony Thomas
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 24/01/2020

CAERUS ASSETS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 18 MAY 2018 TO YEAR ENDED 30 JUNE 2019**

	Note	From 18 May 2018 to 30 June 2019 £
Turnover	4	85,705,238
Cost of sales		(65,553,142)
Gross profit		20,152,096
Administrative expenses		(18,013,510)
Fair value movements		(91,423)
Operating profit	5	2,047,163
Interest payable and expenses	9	(215,746)
Profit before taxation		1,831,417
Tax on profit	10	(533,635)
Profit for the financial period		<u>1,297,782</u>
Profit for the period attributable to:		
Owners of the parent Company		1,297,782
		<u>1,297,782</u>

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

Note: The comprehensive income in this statement includes the consolidated results of the group, including main trading company CAE Technology Services Limited, from 14 November 2018 to 30 June 2019.

The notes on pages 16 to 32 form part of these financial statements.

CAERUS ASSETS LIMITED
REGISTERED NUMBER:11370659

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 £
Fixed assets		
Intangible assets	11	10,134,633
Tangible assets	12	1,396,712
		<u>11,531,345</u>
Current assets		
Stocks	14	1,839,913
Debtors: amounts falling due within one year	15	32,003,375
Cash at bank and in hand	16	2,277,303
		<u>36,120,591</u>
Creditors: amounts falling due within one year	17	(35,776,097)
Net current assets		<u>344,494</u>
Total assets less current liabilities		<u>11,875,839</u>
Creditors: amounts falling due after more than one year	18	(6,088,834)
Provisions for liabilities		
Deferred taxation	21	(56,218)
Other provisions	22	(76,636)
		<u>(132,854)</u>
Net assets/(liabilities)		<u><u>5,654,151</u></u>
Capital and reserves		
Called up share capital	23	6,767
Share premium account	24	4,349,602
Profit and loss account	24	1,297,782
		<u><u>5,654,151</u></u>

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


J Harling
 Director

Date: 24th January 2020

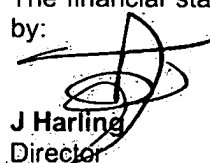
The notes on pages 16 to 32 form part of these financial statements.

CAERUS ASSETS LIMITED
REGISTERED NUMBER: 11370659

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 £
Fixed assets		
Investments	13	11,402,773
		<u>11,402,773</u>
Current assets		
Debtors: amounts falling due within one year	15	37,375
		<u>37,375</u>
Creditors: amounts falling due within one year	17	(1,742,639)
Net current (liabilities)/assets		<u>(1,705,264)</u>
Total assets less current liabilities		<u>9,697,509</u>
Creditors: amounts falling due after more than one year	18	(5,500,473)
Net assets		<u><u>4,197,036</u></u>
Capital and reserves		
Called up share capital	23	6,767
Share premium account	24	4,349,602
Loss/(profit) for the period		(159,333)
Profit and loss account carried forward		(159,333)
		<u><u>4,197,036</u></u>

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


J Harling
 Director

Date: *24th January 2020*

The notes on pages 16 to 32 form part of these financial statements.

CAERUS ASSETS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Comprehensive income for the period				
Profit for the period	-	-	1,297,782	1,297,782
Total comprehensive income for the period	-	-	1,297,782	1,297,782
Shares issued during the period	6,767	4,349,602	-	4,356,369
At 30 June 2019	6,767	4,349,602	1,297,782	5,654,151

The notes on pages 16 to 32 form part of these financial statements.

CAERUS ASSETS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Comprehensive income for the period				
Loss for the period	-	-	(159,333)	(159,333)
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>(159,333)</u>	<u>(159,333)</u>
Shares issued during the period	6,767	4,349,602	-	4,356,369
At 30 June 2019	<u>6,767</u>	<u>4,349,602</u>	<u>(159,333)</u>	<u>4,197,036</u>

The notes on pages 16 to 32 form part of these financial statements.

CAERUS ASSETS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019**

From 18
May 2018 to
30 June
2019
£

Cash flows from operating activities

Profit for the financial period 1,297,782

Adjustments for:

Amortisation of intangible assets	675,642
Depreciation of tangible assets	221,393
Interest expense	215,746
Taxation charge	533,635
Increase in stocks	(255,459)
Increase in debtors	(579,666)
Increase in creditors	1,467,614
Increase in provisions	23,638
Corporation tax paid	(245,636)

Net cash generated from operating activities 3,354,689

Cash flows from financing activities

Loan on date of acquisition – net of upfront borrowing cost	4,455,000
Movement in long term creditors	(1,087,120)
Interest paid	(215,746)

Net cash from financing activities 3,152,134

Cash flows from investing activities

Investments net of cash acquired on the date of acquisition	(4,140,262)
Additions to fixed assets	(89,258)

Net cash used in investing activities (4,229,520)

Net increase in cash and cash equivalents 2,277,303

Cash and cash equivalents comprise cash at bank:

Opening	-
Closing	2,277,303
	<u>2,277,303</u>

The notes on pages 16 to 32 form part of these financial statements.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

1. General information

Caerus Assets Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at CAE House, Colonial Way, Watford, United Kingdom, WD24 4PT.

The company was incorporated on 18 May 2018.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The Group has well-established and flexible financial resources, established customer base and profitable history through its main trading entity. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.4 Revenue

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Rendering of services

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

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life. The useful economic life of goodwill is 10 years.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.6 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	2% per annum
Office equipment	- 20% per annum
Fixtures and fittings	- 20% per annum
Computer equipment	- 25% per annum

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

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

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

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

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.10 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 48 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.12 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.

2.13 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 the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'Administration expenses'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.14 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

2.16 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

2.18 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

2.19 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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 reporting date.

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

The preparation of the financial statements require management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include indicators for impairment against intangible and investments and provisions for potentially irrecoverable debtors.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

Analysis of turnover by country of destination (trading entity results are from date of acquisition 14 November 2018):

	From 18 May 2018 to 30 June 2019 £
United Kingdom	77,742,444
Rest of Europe	5,507,052
Rest of the world	2,455,742
	<u>85,705,238</u>

5. Operating profit

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

	From 18 May 2018 to 30 June 2019 £
Amortisation of intangible assets, including goodwill	675,642
Depreciation of tangible fixed assets	221,293
Key management personnel remuneration	1,393,558
Exchange differences	(83,808)
Operating lease charges - plant and machinery	215,418
Operating lease charges - land and buildings	<u>627,618</u>

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

6. Auditor's remuneration

**From 18
May 2018 to
30 June
2019
£**

Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements

32,525

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

Taxation compliance services

6,600

Auditors' remuneration is borne by a subsidiary- CAE Technology Services Limited.

7. Employees

Staff costs for the period were as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Wages and salaries	12,101,455	-	-	-
Social security costs	1,292,590	-	-	-
Cost of defined contribution scheme	244,076	-	-	-
	<u>13,638,121</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Sales	126
Services	111
Operations	38
	<u>275</u>

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

8. Directors' remuneration

	From 18 May 2018 to 30 June 2019 £
Directors' emoluments	677,710
	<u>677,710</u>

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

The highest paid director received remuneration of £464,219.

9. Interest payable and similar expenses

	From 18 May 2018 to 30 June 2019 £
Bank interest payable	30,859
Other loan interest payable	184,887
	<u>215,746</u>

10. Taxation

	From 18 May 2018 to 30 June 2019 £
Corporation tax	
Current tax on profits for the year	550,518
Total current tax	<u>550,518</u>
Deferred tax	
Origination and reversal of timing differences	(16,883)
Total deferred tax	<u>(16,883)</u>
Taxation on profit on ordinary activities	<u>533,635</u>

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	From 18 May 2018 to 30 June 2019 £
Profit on ordinary activities before tax	<u>1,831,417</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	347,969
Effects of:	
Fixed assets differences	134,867
Expenses not deductible for tax purposes	48,813
Adjust closing deferred tax to average rate of 19.00%	(1,995)
Adjust opening deferred tax to average rate of 19.00%	3,981
Total tax charge for the period	<u>533,635</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019

11. Intangible assets

Group and Company

	Goodwill £
Cost	
At 18 May 2018	-
Additions on acquisition of CAE Technology Holdings	10,810,275
At 30 June 2019	<u>10,810,275</u>
Amortisation	
At 18 May 2018	-
Amortisation movement (over 10 years)	675,642
At 30 June 2019	<u>675,642</u>
Net book value	
At 30 June 2019	<u><u>10,134,633</u></u>

12. Tangible fixed assets

Group

	Freehold property £
Cost or valuation	
At 18 May 2018	-
Additions arising from the acquisition on 14 November 2018	2,702,829
Additions from 14 November 2018 to 30 June 2019	89,258
At 30 June 2019	<u>2,792,087</u>
Depreciation	
At 18 May 2018	-
Accumulated depreciation arising from the acquisition on 14 November 2018	1,173,982
Charge for the period	221,393
At 30 June 2019	<u>1,395,375</u>
Net book value	
At 30 June 2019	<u><u>1,396,712</u></u>

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 18 May 2018	
Addition - Investment in CAE Technology Holdings (purchase price being satisfied by a combination of loan, Loan notes and shares)	11,402,773
At 30 June 2019	11,402,773
Net book value	
At 30 June 2019	<u>11,402,773</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
CAE Assets Limited	United Kingdom	Intermediate holding company non trading	Ordinary	100 %
Seckloe 194 Limited	United Kingdom	Intermediate holding company non trading	Ordinary	100 %
CAE Technology Services Limited	United Kingdom	Computer hardware and services	Ordinary	100 %
CAE Communications Limited	United Kingdom	Non trading	Ordinary	100 %
CAE Technology Holdings Limited	United Kingdom	Intermediate holding company non trading	Ordinary	100 %
CAE Technology Services Inc.	United States of America	Computer hardware and services	Ordinary	100 %
CAE Technology Services BV	Netherlands	Computer hardware and services	Ordinary held indirectly	100 %

14. Stocks

	Group 2019 £	Company 2019 £
Raw materials and consumables	<u>1,839,913</u>	<u>-</u>

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

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

15. Debtors

	Group 2019 £	Company 2019 £
Trade debtors	21,427,598	-
Other debtors	1,658,895	37,375
Prepayments and accrued income	8,916,882	-
	<u>32,003,375</u>	<u>37,375</u>

16. Cash and cash equivalents

	Group 2019 £	Company 2019 £
Cash at bank and in hand	2,277,303	-
Less: bank overdrafts	(1,003,037)	-
	<u>1,274,266</u>	<u>-</u>

17. Creditors: Amounts falling due within one year

	Group 2019 £	Company 2019 £
Bank overdrafts	1,003,037	-
Bank loans	1,000,000	1,000,000
Trade creditors	13,608,742	-
Amounts owed to group undertakings	-	694,870
Corporation tax	539,946	-
Other taxation and social security	1,725,623	-
Loan repayable by instalments	2,661,000	-
Other creditors	3,711,901	-
Accruals and deferred income	11,525,848	47,769
	<u>35,776,097</u>	<u>1,742,639</u>

The bank loan is secured by way of an unlimited debenture on its assets.

18.

Creditors: Amounts falling due after more than one year

	Group 2019 £	Company 2019 £
Bank loans	3,000,000	3,000,000
Loan repayable by instalments	3,088,834	2,500,473
	<u>6,088,834</u>	<u>5,500,473</u>

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

19. Loans

	Group 2019 £	Company 2019 £
Amounts falling due within one year		
Bank loans	1,000,000	1,000,000
Loan repayable by instalments	2,661,000	-
Amounts falling due 1-2 years		
Bank loans	1,000,000	1,000,000
Loan repayable by instalments	588,361	-
Amounts falling due 2-5 years		
Bank loans repayable by instalments (quarterly repayments ending May 2023, 2.65% interest rate)	2,000,000	2,000,000
Loan repayable (Loan with external party at arm's length, repayable May 2023, 5.00% interest rate)	2,500,473	2,500,473
	<u>9,749,834</u>	<u>6,500,473</u>

20. Financial instruments

	Group 2019 £	Company 2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	2,277,303	-
Financial assets that are debt instruments measured at amortised cost	23,086,493	-
	<u>25,363,796</u>	<u>-</u>

Financial liabilities

Financial liabilities measured at amortised cost	<u>(24,023,147)</u>	<u>(4,742,639)</u>
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Financial assets measured at fair value through profit or loss comprise cash.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed to group, and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group companies, other creditors, and accruals.

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

21. Deferred taxation

Group

	2019 £
At beginning of year	
Balance arising on the date of acquisition	(73,101)
Charged to profit or loss	16,883
At end of year	<u>(56,218)</u>
	Group Company 2019 2019 £ £
Accelerated capital allowances	(56,218) -
	<u>(56,218)</u> <u>-</u>

22. Provisions

Group

	Dilapidation provision £
At 18 May 2018	-
Charged to profit or loss	76,636
At 30 June 2019	<u>76,636</u>

23. Share capital

	2019 £
Allotted, called up and fully paid	
3,634- A Ordinary shares of £1.00 each	3,634
3,133- B Ordinary shares of £1.00 each	3,133
	<u>6,767</u>

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

A Ordinary

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

B Ordinary

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

24. Reserves**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £361,077.

26. Commitments under operating leases

At 30 June 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Land & buildings		
Not later than 1 year	422,676	320,603
Later than 1 year and not later than 5 years	555,825	868,501
	<u>978,501</u>	<u>1,189,104</u>
	2019 £	2018 £
Other operating leases		
Not later than 1 year	136,093	196,779
Later than 1 year and not later than 5 years	63,698	114,739
	<u>199,791</u>	<u>311,518</u>

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

27. Related party transactions

The Company has taken advantage of the exemptions available to group undertakings under FRS102 by not disclosing transactions with wholly owned entities of the CAE Technology Holdings Limited group.

There were no related party transactions

28. Controlling party

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

29. Consolidation for the full year

The Company has prepared consolidated accounts to the June 2019 year end, with just over 7 months results for the trading company as the acquisition took place 14th November 2018. If the company had not been acquired, the consolidated Profit and loss account for the original holding company for year ended 30 June 2019 with comparatives for the year end 30 June 2018, would have been as below;

	2019 £	2018 £
Turnover	132,912,570	103,926,951
Cost of sales	(101,543,504)	(77,635,455)
Gross profit	31,369,066	26,291,499
Administrative expenses	(27,191,324)	(24,453,094)
Other operating income	(323,229)	20,983
Operating profit	3,854,513	1,859,388
Interest receivable and similar income	-	10,951
Interest payable and expenses	(53,707)	(54,727)
(Loss)/gain of foreign exchange contracts	(91,423)	212,306
Profit before taxation	3,709,383	2,027,918
Tax on profit	(606,105)	(507,540)
Profit for the financial year	3,103,278	1,520,378