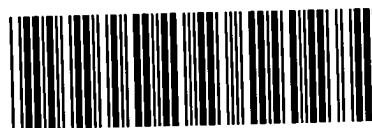


Registered number: 11370659

CAERUS ASSETS LIMITED
AMENDED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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CAERUS ASSETS LIMITED

COMPANY INFORMATION

Directors	J Harling R Behan
Registered number	11370659
Registered office	CAE House Colonial Way Watford Hertfordshire WD24 4PT
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

CAERUS ASSETS LIMITED

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CAERUS ASSETS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2020

Introduction

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 workforce with an all-encompassing security wrap.

Our Purpose

To transform people's experiences and people's lives, through technology - By inspiring and developing people, nurturing talent and sharing expertise.

The past twelve months have unequivocally proved that technology is a significant part of the solution to how all organisations can adapt to a rapidly changing environment. At a time of unprecedented disruption CAE has continued to be driven by our purpose, putting people at the heart of our decision making.

Key Partnerships and Solutions

The solutions available for CAE to offer customers are a combination of technologies, achieved by accrediting to the highest levels with the world's leading technology manufacturers. These manufacturers have long term track records in developing products and services that require a trusted advisor to deliver positive customer outcomes. The principal manufacturer relationships for CAE are Cisco, Dell Technologies, Palo Alto Networks and Microsoft, with which the following accreditations are held, and awards won.

Manufacturer	Accreditation at June 2020
Cisco and Cisco Meraki	Gold Partner
Dell Technologies	Titanium Partner
Palo Alto Networks	Diamond Partner
Microsoft	Gold Partner

Manufacturer	Award
Cisco and Cisco Meraki	Cisco Meraki UK&I Partner of the Year (2019) Cisco UK&I Public Sector Partner of the Year (2019 and 2020) Cisco Meraki EMEAR Growth Partner of the Year (2019)
Dell Technologies	Dell Growth Partner of the Year (FY19)
Palo Alto Networks	Partner lead deal of the year - Betsi Cadwaladr (2019) Marketing partner of the year (2019) Deal registration partner of the year (2020) Salesperson of the year (2020)

CAE remains fundamentally manufacturer independent so that the correct solution for the customer is always paramount.

Manufacturer solutions are packaged by CAE alongside its own services, and the internal service desk function retains the 3 stars awarded by the Service Desk Institute last year.

These services establish strong underlying processes to allow the customer to be taken on a journey that addresses 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.

During this year CAE has also taken first steps into the development space by successfully using manufacturer API links to develop a suite of applications focused on deployment automation. CAE Nucleus was deployed successfully in a number of high-profile projects and will continue to be invested in.

CAERUS ASSETS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Customer Intimacy

CAE operates in a broad range of vertical markets, the key differentiator being an understanding and personalisation of solutions and services that allows a trusted partnership to be built for the long term, based on continued and unrivalled intimacy

This is reflected in customer retention of 96% of the top 100 customers by revenue (96% 2019) and a NPS score maintained above 60.

An ability to win significant contracts within the public sector space is enhanced by inclusion in the following frameworks:

- Crown Commercial Services (CCS) – RM3808 Network Services 2 (Lots 1, 2, 5, 10 and 13)
- Crown Commercial Services (CCS) – RM6068 Technology Products and Associated Services (Lot 3)
- Crescent Purchasing Consortium (CPC) – ICT Solutions and Supply of Network Infrastructure (Lots 1, 2, 4 and 5)
- Jisc – Network Equipment (Lots 5 and 7)
- NHS Shared Business Services (NHS SBS) – Cloud Solutions (Lot 1)
- North Easter Universities Procurement Consortium (NEUPC) – Higher Education Networking Supply and Services (Lots 1, 2 and 3)
- North of England Commercial Procurement Collaborative (NOECPC) – IT Enterprise Solutions (Lots 1, 2, 3 and 5)
- Scottish Government – Cloud Services
- Scottish Government – Digital Services DPS (Lot 3)
- Scottish Government – Telephony Services DPS (Lots 2 and 3)
- Welsh Government – EdTech DPS

Business review

Financial results for the year ending June 2020 continue to reflect the business's ability to win and deliver significant transformation projects and compete successfully in a market that continues to sustain a significant number of competitors. The following are the key performance indicators monitored by the directors:

	2020 £	2019 £	Increase/ (decrease) £	Increase/ (decrease) %
Turnover	134,840,540	85,705,238	49,135,302	57.3
Operating profit	1,243,217	2,047,163	(803,946)	(39)

CAERUS ASSETS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Turnover showed an increase of 57.3%. Operating profit reduced due to further investment in staff and infrastructure which puts the company in a strong position to continue growing in subsequent financial years.

Staff numbers increased by 7% to 294, split between investment in highly skilled technical teams and growth in operational staff enabling the business to continue to offer the best level of technical skills and customer service across multiple technologies.

It has been a conscious decision that the capabilities of the business and the culture that is essential to support this was maintained throughout the year, even in the face of trading that was impacted in the second half by the Covid 19 pandemic.

In addition, during the year, CAE acquired a new freehold property that will ultimately become a new headquarters, located in Hemel Hempstead.

Performance of the business has been recognised by achieving a place on the Sunday Times, Top Track 250, Profit Track and International Track.

Principal risks and uncertainties

CAE completes a full business review and planning exercise every three 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 resources.

Financial Risk

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

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

Market Risk

The inherent 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. Whilst the single largest customer represented a higher percentage of total turnover (10.2%) than prior year (7.0%), the customer profile remains broad with the second largest representing 2.5%.

CAE is reliant on several manufacturer relationships in order to provide leading technologies. Although this minimises 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.

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 people best practice, enhanced communication systems and individual review also contribute to an environment in which people want to work.

CAERUS ASSETS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

Brexit

The possible possible risks resulting from Brexit have been identified, the main ones being product and services 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 contingencies plans. CAE's overseas turnover was 13.7% in 2020 compared to 9.3% in 2019. CAE Technology Services BV (a wholly owned subsidiary of CAE Technology Services) in the Netherlands will support international growth and further mitigate supply chain issues.

During the year, the Group was recognised in the Sunday Times International Track 200 for international sales growth in 2019.

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



J Hayling
Director

Date: 15th January 2021

CAERUS ASSETS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £1,148,417 (2019 - £1,297,782).

No dividends were paid or proposed during the year (2019: £Nil). The directors do not propose the payment of a final dividend (2019 - £Nil).

Directors

The directors who served during the year and to the date of approval of these financial statements were:

J Harling
R Behan

CAERUS ASSETS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Future developments

It is recognised that a higher than normal level of uncertainty exists within the macro environment and consequently for both CAE and customers. Covid 19 continues to inhibit a level of spend and restrict the ability to deliver a number of potential infrastructure engagements. However, continued focus and investment into managed service and other recurring revenue streams will continue to mitigate this risk. In addition, post year end, the business completed a wholesale review of costs, implementing such measures as to ensure the business continues to operate profitably, without damaging capability.

Since the start of the pandemic the CAE Senior Leadership Team have had multiple weekly calls to assess the specific impact of the pandemic. This has resulted in significant changes in operating process for business as usual operations and includes an encompassing policy to ensure that our people can work safely at home, from an office or on customer site.

Having purchased an office, renovation work will be carried out until the autumn of 2021, at which time it will become a new headquarters. The design of the space has the advantage of delivering greater capacity as well as reflecting the need for adaptability and being a space for people to enjoy working in.

The business has, and will, continue to invest in building world leading practices in Customer Experience, Managed Service, and Application Development both in the United Kingdom and Internationally. This will require investment in people, their development and systems so that the business can continue to adapt at pace and successfully rebound from the challenges of the last twelve months.

Our future success is wholly based on the effort of everyone who works within the organisation and we would like to express our thanks for all that has been achieved and is yet to come from a fantastic team.

CAERUS ASSETS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Engagement with employees

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. The strength of CAE's culture allowed the business to move forward with positivity and purpose when the pandemic started, and there was seamless continuity of Company delivered services.

Due to the change in working practices, with the majority of staff becoming home based, communication became even more important and key to keeping individuals safe, informed, and motivated while ensuring customers satisfaction was maintained. Normal communications were enhanced with the introduction of new app-based comms software.

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 through a number of communication platforms and messaging from the CEO weekly and quarterly throughout the year.

This year also saw the introduction of Wellness Wednesdays as well as focussed weeks on wellbeing, mental health and work / life balance.

The Company was again included in the Sunday Times Best Companies to Work for list.

During the year we suffered the heart-breaking loss of a colleague – Suresh Modasia. Suresh is missed by all that knew him as a wonderful friend and part of the CAE family.

Going Concern

CAE experienced an increase in turnover despite the latter part of the year showing a downturn in sales due to Covid-19.

Business continued to be derived from a wide range of vertical markets and a customer base of approximately 800 spending accounts, with the largest single customer representing 10.2% 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.

Management accounts are reviewed 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 a cashflow loan, mortgage 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 cashflow 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.

Covid-19 has caused some deferral of projects due to lockdown and supplier delays however the business has continued trading throughout the pandemic and was able to fully deliver on its managed services offering.

With IT solutions still regarded as a key enabler for business growth and increasingly important as deemed a critical service during the pandemic, the Directors believe 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 sign off on the financial statements.

CAERUS ASSETS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Engagement with suppliers, customers and others

Customer intimacy is the key to CAE's core strategy, building trusted advisor relationships and engagement. Our goal is to achieve real change for them and their customers, as with our vendors, customer experience or satisfaction is an increasingly important system of measurement and CAE has invested in a new Customer Experience (CX) practice and relevant software to support this effort.

Customer intimacy applies to suppliers, partners, governing bodies as well as customers and all staff are involved in building and improving the customer journey.

Qualifying third party indemnity provisions

During the year 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.

Post balance sheet events

There have been no significant events affecting the group since the year end.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

During the period, Grant Thornton UK LLP resigned as auditor of the company. Cooper Parry Group Limited were appointed as auditor during the period by the directors.

The auditor, Cooper Parry Group Limited, 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 Harling
Director

Date: 15th January 2021

CAERUS ASSETS LIMITED

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

Opinion

We have audited the financial statements of Caerus Assets Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the Analysis of Net Debt and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2020 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

CAERUS ASSETS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAERUS ASSETS 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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.

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.

CAERUS ASSETS LIMITED

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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



Steven Leith (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Date: 18 January 2021

CAERUS ASSETS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Year ended 30 June 2020 £	Period ended 30 June 2019 * £
Turnover	3	134,840,540	85,705,238
Cost of sales		(102,566,682)	(65,553,142)
Gross profit		32,273,858	20,152,096
Administrative expenses		(31,053,192)	(18,013,510)
Fair value movements		22,551	(91,423)
Operating profit	4	1,243,217	2,047,163
Interest receivable and similar income		19,397	-
Interest payable and expenses	8	(328,169)	(215,746)
Profit before taxation		934,445	1,831,417
Tax on profit	9	213,972	(533,635)
Profit for the financial year		1,148,417	1,297,782

* - The period being 14 November 2018 to 30 June 2019.

All amounts relate to continuing activities.

There were no recognised gains and losses for 2020 or 2019 other than those included in the Consolidated Statement of Comprehensive Income.

The notes on pages 19 to 40 form part of these financial statements.

CAERUS ASSETS LIMITED
REGISTERED NUMBER: 11370659

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	10		9,053,605		10,134,633
Tangible fixed assets	11		4,504,650		1,396,712
			<u>13,558,255</u>		<u>11,531,345</u>
Current assets					
Stocks	13	1,013,869		1,839,913	
Debtors: amounts falling due within one year	14	29,709,515		32,003,375	
Cash at bank and in hand		8,210,149		2,277,303	
		<u>38,933,533</u>		<u>36,120,591</u>	
Creditors: amounts falling due within one year	15	<u>(36,488,410)</u>		<u>(35,776,097)</u>	
Net current assets			2,445,123		344,494
Total assets less current liabilities			<u>16,003,378</u>		<u>11,875,839</u>
Creditors: amounts falling due after more than one year	16		(9,098,172)		(6,088,834)
Provisions for liabilities					
Deferred taxation	18		-		(56,218)
Dilapidations provision	19		(102,638)		(76,636)
Net assets			<u>6,802,568</u>		<u>5,654,151</u>
Capital and reserves					
Called up share capital	20,21		6,767		6,767
Share premium account	21		4,349,602		4,349,602
Profit and loss account	21		2,446,199		1,297,782
Shareholders' funds			<u>6,802,568</u>		<u>5,654,151</u>

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


J. Harling
 Director

Date: 15th January 2021

The notes on pages 19 to 40 form part of these financial statements.

CAERUS ASSETS LIMITED
REGISTERED NUMBER: 11370659

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible fixed assets	11		3,242,306		
Investments	12		11,402,773		11,402,773
			<u>14,645,079</u>		<u>11,402,773</u>
Current assets					
Debtors: amounts falling due within one year	14	1,038,750		37,375	
		<u>1,038,750</u>		<u>37,375</u>	
Creditors: amounts falling due within one year	15	(5,648,341)		(1,742,639)	
		<u>(5,648,341)</u>		<u>(1,742,639)</u>	
Net current liabilities			(4,609,591)		(1,705,264)
Total assets less current liabilities			<u>10,035,488</u>		<u>9,697,509</u>
 Creditors: amounts falling due after more than one year	16		(6,069,813)		(5,500,473)
			<u>(6,069,813)</u>		<u>(5,500,473)</u>
Net assets			<u>3,965,675</u>		<u>4,197,036</u>
Capital and reserves					
Called up share capital	20,21		6,767		6,767
Share premium account	21		4,349,602		4,349,602
Profit and loss account carried forward	21		(390,694)		(159,333)
			<u>(390,694)</u>		<u>(159,333)</u>
Shareholders' funds			<u>3,965,675</u>		<u>4,197,036</u>

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 loss for the year of the parent company for the year was £231,361 (2019 - loss for the period of £159,333).

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


J Harding
 Director

Date: 17th January 2021

The notes on pages 19 to 40 form part of these financial statements.

CAERUS ASSETS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2019	6,767	4,349,602	1,297,782	5,654,151
Comprehensive income for the year				
Profit for the year	-	-	1,148,417	1,148,417
At 30 June 2020	<u>6,767</u>	<u>4,349,602</u>	<u>2,446,199</u>	<u>6,802,568</u>

**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
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>1,297,782</u>	<u>5,654,151</u>

The notes on pages 19 to 40 form part of these financial statements.

CAERUS ASSETS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2019	6,767	4,349,602	(159,333)	4,197,036
Comprehensive income for the year				
Loss for the year	-	-	(231,361)	(231,361)
At 30 June 2020	<u>6,767</u>	<u>4,349,602</u>	<u>(390,694)</u>	<u>3,965,675</u>

**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)
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 19 to 40 form part of these financial statements.

CAERUS ASSETS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	1,148,417	1,297,782
Adjustments for:		
Amortisation of intangible assets	1,081,028	675,642
Depreciation of tangible assets	374,306	221,393
Interest paid	328,169	215,746
Interest received	(19,397)	-
Taxation (credit) / charge	(213,973)	533,635
Decrease/(increase) in stocks	826,044	(255,459)
Decrease/(increase) in debtors	2,299,060	(579,666)
Increase in creditors	1,651,672	1,467,614
Increase in dilapidation provisions	26,000	23,638
Corporation tax paid	(563,307)	(245,636)
Net cash generated from operating activities	<u>6,938,019</u>	<u>3,354,689</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,482,244)	(89,258)
Interest received	19,397	-
Investments net of cash acquired on the date of acquisition	-	(4,140,262)
Net cash from investing activities	<u>(3,462,847)</u>	<u>(4,229,520)</u>
Cash flows from financing activities		
New secured loans	7,751,707	-
Repayment of other loans	(4,201,482)	-
Interest paid	(328,169)	(215,746)
Loan on date of acquisition - net of upfront borrowing cost	-	4,455,000
Movement in long term creditors	-	(1,087,120)
Bank overdrafts	-	(1,003,037)
Net cash used in financing activities	<u>3,222,056</u>	<u>2,149,097</u>
Net increase in cash and cash equivalents	<u>6,697,228</u>	<u>1,274,266</u>
Cash and cash equivalents at beginning of year	1,274,266	-
Cash and cash equivalents at the end of year	<u><u>7,971,494</u></u>	<u><u>1,274,266</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,210,149	2,277,303
Bank overdrafts	(238,655)	(1,003,037)
	<u><u>7,971,494</u></u>	<u><u>1,274,266</u></u>

The notes on pages 19 to 40 form part of these financial statements.

CAERUS ASSETS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2020

	At 1 July 2019 £	Cash flows £	At 30 June 2020 £
Cash at bank and in hand	2,277,303	5,932,846	8,210,149
Bank overdrafts	(1,003,037)	764,382	(238,655)
Debt due after 1 year	(6,088,834)	(2,767,207)	(8,856,041)
Debt due within 1 year	(3,661,000)	(783,018)	(4,444,018)
	-	-	-
	<u>(8,475,568)</u>	<u>3,147,003</u>	<u>(5,328,565)</u>

The notes on pages 19 to 40 form part of these financial statements.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies

1.1 General information

Caerus Assets Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of the registered office and principal place of business is disclosed on the company information page.

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

The company was incorporated on 18 May 2018. The current year represents the year ended 30 June 2020 and the prior year represents the period from incorporation to 30 June 2019.

1.2 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 30 June 2020 (2019: period ended 30 June 2019).

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following accounting policies have been applied consistently throughout the year:

1.3 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 balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of the acquired operations are included in the statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

1.4 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 reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being 12 months from the date of sign off on these accounts.

At the Statement of Financial Position date the Company has a significant cash balance and strong net current asset position. At the time of signing these accounts, the directors have considered the effect of the Coronavirus on the going concern position, and consider that this does indicate that the Company will continue to trade for a period of at least 12 months from the date of signing these accounts due to the banking facilities available to it and the UK Government support available to businesses during this difficult time. Further comment is given in the Directors' report on page 7.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

1.5 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of 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 not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions to and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies recognised in the consolidated profit and loss account in the year to which they relate.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

1.6 Turnover

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

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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.

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

Rendering of services

Turnover from installation services is recognised on completion of installation of hardware. Turnover 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.

1.7 Operating leases

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

1.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.9 Pensions

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.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

1.10 Current and deferred taxation

The tax expense for the year 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 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.

1.11 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 Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

1.12 Impairment of assets

Assets that are subject to depreciation and amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses are recognised in prior periods may no longer exist or may have decreased.

1.13 Tangible fixed assets

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

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
Fixtures and fittings	-	20% per annum
Office equipment	-	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.

1.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.15 Stocks

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

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 the Consolidated Statement of Comprehensive Income.

1.16 Debtors

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

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

1.17 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.

1.18 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 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.

1.19 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 ordinary shares.

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

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

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. Accounting policies (continued)

1.19 Financial instruments (continued)

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.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

The preparation of the financial statements require management to make significant judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Intangible assets

The initial recording of intangible assets requires subjective judgements concerning estimates of the fair value of the acquired assets. Management test the value of indefinite-lived intangible assets for impairment each year or whenever events or circumstances indicate such assets may be impaired. The test for impairment involves significant judgement in estimating projections of fair value generated through future performance of each of the reporting units and considers a variety of factors such as the expected use of cash generating units to which intangible assets are attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider respect of similar businesses.

Impairment of fixed assets

The group assess the impairment of tangible fixed assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant under performance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends

Bad debt provisions

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the consolidated Statement of Comprehensive Income.

Provisions

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

3. Turnover

The whole of the turnover is attributable to the supply of high value IT infrastructure products and services.

Analysis of turnover by country of destination:

	Year ended 30 June 2020 £	Period ended 30 June 2019 £
United Kingdom	125,616,897	77,742,444
Rest of Europe	6,183,187	5,507,052
Rest of the world	3,040,456	2,455,742
	<u>134,840,540</u>	<u>85,705,238</u>

4. Operating profit

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

	Year ended 30 June 2020 £	Period ended 30 June 2019 £
Depreciation of tangible fixed assets	374,306	221,293
Amortisation of intangible assets, including goodwill	1,081,028	675,642
Exchange differences	241,291	(83,508)
Plant and machinery operating lease rentals	203,578	215,418
Land and buildings operating lease rentals	598,459	627,618
Cost of defined contribution scheme	382,381	244,076
	<u>3,880,049</u>	<u>1,702,547</u>

5. Auditor's remuneration

	Year ended 30 June 2020 £	Period ended 30 June 2019 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<u>29,750</u>	<u>32,525</u>
Fees payable to the Group's auditor in respect of:		
Taxation compliance services	<u>6,750</u>	<u>6,600</u>

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

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

6. Employees

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

	Group Year ended 30 June 2020 £	Group Period ended 30 June 2019 £	Company Year ended 30 June 2020 £	Company Period ended 30 June 2019 £
Wages and salaries	13,795,728	12,101,455	-	-
Social security costs	1,388,439	1,292,590	-	-
Cost of defined contribution scheme	382,381	244,076	-	-
	<u>15,566,548</u>	<u>13,638,121</u>	<u>-</u>	<u>-</u>

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

	Year ended 30 June 2020 No.	Period ended 30 June 2019 No.
Sales	123	126
Services	121	111
Operations	50	38
	<u>294</u>	<u>275</u>

7. Directors' remuneration

	Year ended 30 June 2020 £	Period ended 30 June 2019 £
Directors' emoluments	1,068,742	669,503
Company contributions to defined contribution pension schemes	10,100	8,207
	<u>1,078,842</u>	<u>677,710</u>

During the year retirement benefits were accruing to 2 directors (2019: 2) in respect of defined contribution pension schemes,

The highest paid director received remuneration of £725,523 (2019: £464,219).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,000 (2019 - £5,000).

Key management personnel include the Directors and Senior Management of the Company, who have authority and responsibility for planning, directing and controlling the activities of the Company. The total compensation paid to key management personnel in the year was £1,465,049 (2019 - £1,393,558).

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

8. Interest payable and similar expenses

	Year ended 30 June 2020 £	Period ended 30 June 2019 £
Bank interest payable	11	30,859
Other loan interest payable	328,158	184,887
	<u>328,169</u>	<u>215,746</u>

9. Taxation

	Year ended 30 June 2020 £	Period ended 30 June 2019 £
Corporation tax		
Current tax on profits for the year	297,542	550,518
Adjustments in respect of previous periods	(450,096)	-
Total current tax	<u>(152,554)</u>	<u>550,518</u>
Deferred tax		
Origination and reversal of timing differences	(22,156)	(16,883)
Adjustment in respect of previous periods	(39,262)	-
Total deferred tax	<u>(61,418)</u>	<u>(16,883)</u>
Taxation on profit on ordinary activities	<u>(213,972)</u>	<u>533,635</u>

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	Year ended 30 June 2020 £	Period ended 30 June 2019 £
Profit on ordinary activities before tax	934,445	1,831,417
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	177,545	347,969
Effects of:		
Fixed asset differences	2,355	134,867
Expenses not deductible for tax purposes	207,741	48,813
Adjust closing deferred tax to average rate of 19.00%	-	(1,995)
Adjust opening deferred tax to average rate of 19.00%	1,995	3,981
Adjustments to tax charge in respect of prior periods	(450,096)	-
Changes in provisions leading to an decrease in the tax charge	(153,512)	-
Total tax charge for the year	(213,972)	533,635

Factors that may affect future tax charges

On the 11th March 2020 the Chancellor of the Exchequer announced that the tax rate reduction from 19% to 17% was no longer going to be implemented and at 17 March 2020 the rate of 19% was substantively enacted. Deferred tax has been calculated at this rate.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

10. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 July 2019 and 30 June 2020	10,810,275
Amortisation	
At 1 July 2019	675,642
Charge for the year	1,081,028
At 30 June 2020	1,756,670
Net book value	
At 30 June 2020	9,053,605
At 30 June 2019	10,134,633

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

11. Tangible fixed assets

Group

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 July 2019	673,596	1,180,107	22,450	915,934	2,792,087
Additions	3,242,306	80,225	699	159,014	3,482,244
Disposals	-	-	(3,320)	(392,380)	(395,700)
At 30 June 2020	3,915,902	1,260,332	19,829	682,568	5,878,631
Depreciation					
At 1 July 2019	95,576	584,251	12,145	703,403	1,395,375
Charge for the year	12,006	235,205	3,299	123,796	374,306
Disposals	-	-	(3,320)	(392,380)	(395,700)
At 30 June 2020	107,582	819,456	12,124	434,819	1,373,981
Net book value					
At 30 June 2020	3,808,320	440,876	7,705	247,749	4,504,650
At 30 June 2019	578,020	595,856	10,305	212,531	1,396,712

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

11. Tangible fixed assets (continued)

Company

	Long-term leasehold property £
Cost	
Additions	3,242,306
At 30 June 2020	<u>3,242,306</u>
Net book value	
At 30 June 2020	<u>3,242,306</u>
At 30 June 2019	<u>-</u>

No depreciation has been charged within the year due to property not in use.

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 July 2019 and 30 June 2020	<u>11,402,773</u>

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

* Shares held indirectly by Caerus Assets Limited.

The aggregate of the share capital and reserves as at 30 June 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
CAE Technology Holdings Limited	(9,071)	(7,226)
Seckloe 194 Limited*	150,000	-
CAE Technology Services Limited*	15,162,068	2,347,686
CAE Communications Limited*	100	-
CAE Assets Limited*	1,000	-
CAE Technology Services Inc.*	2,047	-
CAE Technology Services BV*	(9,535)	(5,111)

In the opinion of the Directors, the value of the investment as at 30 June 2020 is not less than the aggregate amount in the Statement of Financial Position.

The reporting period end of the subsidiary undertakings is co-terminus with the company.

All of the above subsidiaries are included within the group consolidation.

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

13. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	1,013,869	1,839,913

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

The carrying values of stocks are stated net of impairment losses totally £25,153 (2019: £29,579). Impairment losses totalling £Nil (2019: £Nil) were recognised in the Statement of Comprehensive Income.

No stock is held within the company.

14. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	13,608,319	21,427,598	-	-
Other debtors	3,846,077	1,658,895	699,645	37,375
Prepayments and accrued income	12,180,996	8,916,882	339,105	-
Deferred taxation (note 18)	5,200	-	-	-
Financial instruments	68,923	-	-	-
	<u>29,709,515</u>	<u>32,003,375</u>	<u>1,038,750</u>	<u>37,375</u>

All amounts are due within one year.

The impairment credit recognised in the administrative expenses in respect of bad and doubtful debts was £3,381 (2019 – credit of £7,032).

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

15. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	238,655	1,003,037	-	-
Bank loans (note 17)	1,000,000	1,000,000	1,000,000	1,000,000
Loans repayable by instalments (note 17)	3,444,018	2,661,000	-	-
Trade creditors	9,863,852	13,608,742	-	-
Amounts owed to group undertakings	-	-	4,599,246	694,870
Corporation tax	100,419	539,946	-	-
Other taxation and social security	4,615,467	1,725,623	-	-
Other creditors	3,363,952	3,711,901	-	-
Accruals and deferred income	13,862,047	11,525,848	49,095	47,769
	<u>36,488,410</u>	<u>35,776,097</u>	<u>5,648,341</u>	<u>1,742,639</u>

Included within bank loans and overdrafts is an amount of £Nil (2019: £220,140) in relation to the invoice discounting facility which is secured against trade debtors.

Bank overdrafts are secured by a guarantee and right to set off across all of the subsidiaries within the Caerus Assets Limited group.

Included within other creditors is an amount of £383,861 and £242,131 in amounts due after more than one year, which are both amounts in relation to other risk free loans which attract interest of 3% and expire in 2022 and 2023.

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Debentures loans	1,944,813	2,500,473	1,944,813	2,500,473
Bank loans (note 17)	4,125,000	3,000,000	4,125,000	3,000,000
Loans repayable by instalments (note 17)	2,786,228	588,361	-	-
Other creditors	242,131	-	-	-
	<u>9,098,172</u>	<u>6,088,834</u>	<u>6,069,813</u>	<u>5,500,473</u>

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

17. Loans

Analysis of the maturity of loans is given below:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year				
Bank loans	1,000,000	1,000,000	1,000,000	1,000,000
Loans repayable by instalments	3,444,018	2,661,000	-	-
	<u>4,444,018</u>	<u>3,661,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Amounts falling due 1-2 years				
Bank loans	1,195,000	1,000,000	1,195,000	1,000,000
Loans repayable by instalments	1,725,261	588,361	-	-
	<u>2,920,261</u>	<u>1,588,361</u>	<u>1,195,000</u>	<u>1,000,000</u>
Amounts falling due 2-5 years				
Bank loans	2,930,000	2,000,000	2,930,000	2,000,000
Other loans	1,944,813	2,500,473	1,944,813	2,500,473
Loans repayable by instalments	1,060,967	-	-	-
	<u>5,935,780</u>	<u>4,500,473</u>	<u>4,874,813</u>	<u>4,500,473</u>
	<u>13,300,059</u>	<u>9,749,834</u>	<u>7,069,813</u>	<u>6,500,473</u>

Bank loans are repayable quarterly until March 2025 and attract interest of between 2.45% - 2.65%.

Loans repayable by instalments represent a number of loan agreements which are on terms of 9 months to 36 months and attraction interest rates of up to 1.96%.

Other loans are repayable in May 2023 and attract interest at 5.00%.

CAERUS ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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18. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	(56,218)	(73,101)
Charged to Statement of Comprehensive Income	61,418	16,883
At end of year	5,200	(56,218)
	Group 2020 £	Group 2019 £
Fixed asset timing differences	(34,662)	(56,218)
Short term timing differences	39,862	-
	5,200	(56,218)

All deferred tax has been recognised as at 30 June 2020.

19. Provisions

Group

	Dilapidation provision £
At 1 July 2019	76,636
Charged to Statement of Comprehensive Income	26,002
At 30 June 2020	102,638

Provisions for dilapidation costs have been accrued in respect of operating leasehold property expiring between 2021 and 2024. The provision is expected to be utilised over the term of the leases.

20. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
3,634 A Ordinary shares of £1 each	3,634	3,634
3,133 B Ordinary shares of £1 each	3,133	3,133
	6,767	6,767

CAERUS ASSETS LIMITED

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FOR THE YEAR ENDED 30 JUNE 2020

20. Share capital (continued)

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.

21. Reserves

Share premium account

The amount by which the amount received exceeds the share capital's nominal value.

Profit and loss account

Cumulative net gains and losses recognised in the Statement of Comprehensive Income

Share capital

The nominal value of allotted and fully paid up ordinary share capital.

22. 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 £382,381 (2019: £244,076). Amounts due at the year end in respect of unpaid pension contributions were £109,396 (2019: £95,028).

23. Commitments under operating leases

At 30 June 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	504,648	558,769
Later than 1 year and not later than 5 years	428,811	619,523
	<u>933,459</u>	<u>1,178,292</u>

The company had no lease commitments.

CAERUS ASSETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. 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 Caerus Assets Limited group.

There were no related party transactions in 2020 or 2019.

25. Controlling party

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