

ANDERS + KERN UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019



Company Registration No. 02512047 (England and Wales)

ANDERS + KERN UK LIMITED

CONTENTS

	Page
Company information	3
Strategic report	4
Director's report	5
Statement of Directors' responsibilities in respect of the financial statements	5
Independent auditor's report to the members of Anders + Kern Ltd	7
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12

ANDERS + KERN UK LIMITED COMPANY INFORMATION

DIRECTORS

Bruce Morrison
Spencer Dredge
Steven Black
Ann Coxhead
Barrie Meehan

COMPANY SECRETARY

Kristian Shaw

COMPANY REGISTRATION NUMBER

02512047

REGISTERED OFFICE

250 The Village
Butterfields
Great Marling
Luton
LU2 8DL

AUDITORS

KPMG LLP
58 Clarendon Road
Watford
WD17 1DE

ANDERS + KERN UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2019

The directors present the strategic report and financial statements for the year ended 31 January 2019.

Anders + Kern UK Limited continue to focus on the distribution of audio visual products and the installation of specialist technical products for meeting and presentation environments.

Principal risks and uncertainties

Business risk

The continued economic uncertainty is a threat facing this business and other companies within the sector. The company is mitigating these risks by continuing to provide high quality products and services to customers, and value for money.

Credit risk

The company's credit risk is primarily attributable to its trade debtors. This credit risk is managed by monitoring the aggregate amount and duration of exposure of any one customer. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt aging and collection history.

Foreign currency risk

The company does not carry out material trade with companies located outside of the United Kingdom and there is, therefore, a low level of exposure to movements in foreign currency

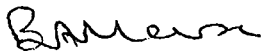
Liquidity risk

The company's policy has been to minimise interest expenses by managing its cash and borrowings efficiently. The directors believe that the company has sufficient funds available to support its activities in the future.

Key Performance Indicators

The financial performance of the company is monitored against detailed budgets prepared by management. In addition to this, benchmarking exercises are undertaken to assess the company's performance within the sector.

On behalf of the board



Bruce Morrison
Director
31 July 2019

ANDERS + KERN UK LIMITED

DIRECTORS REPORT

FOR THE YEAR ENDED 31 JANUARY 2019

The directors present their annual report and financial statements for the year ended 31 January 2019.

Principal activities

The principal activity of the company continued to be that of distribution of audio visual products and the installation of specialist technical products for meeting and presentation environments.

Directors

Bruce Morrison	Appointed 23 January 2019
Spencer Dredge	
Steven Black	
Ann Coxhead	
Barrie Meehan	

Results and dividends

The results for the period are set out on page 9.

During the year ended 31 January 2019 £nil dividends were paid to shareholders (2018: £56,602).

Political donations

No political donations were made during the year (2018: £nil).

Auditors

KPMG LLP were appointed as auditors by the directors in May 2017. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**ANDERS + KERN UK LIMITED
DIRECTORS REPORT
FOR THE YEAR ENDED 31 JANUARY 2019**

STATEMENT OF DISCLOSURE TO AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Bruce Morrison
Director
31 July 2019

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF ANDERS + KERN UK LIMITED

Opinion

We have audited the financial statements of Anders + Kern UK Limited ("the company") for the year ended 31 January 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF ANDERS + KERN UK LIMITED

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

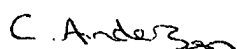
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Charlotte Anderson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road, Watford, WD17 1DE
31 July 2019

ANDERS + KERN UK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2019

		Year ended 31/01/2019 £	10 month period ended 31/01/2018 £
	Notes		
Revenue	2	2,666,079	2,268,810
Cost of Sales		(1,789,252)	(1,775,125)
Gross profit		876,827	493,685
Distribution costs		(79,559)	(120,261)
Administrative expenses		(805,104)	(699,237)
Operating loss	3	(7,836)	(325,813)
Interest payable and similar expenses	5	(15,717)	(13,717)
Loss before taxation		(23,553)	(339,530)
Taxation	6	-	5,975
Loss for the period		(23,553)	(333,555)

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

There is no other comprehensive income other than the amounts shown above.

The notes on pages 12 to 21 form part of the financial statements.

ANDERS + KERN UK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible fixed assets	7	656,723	692,981
Current assets			
Stocks		363,762	95,069
Debtors	8	509,212	379,259
Cash and cash equivalents		326,271	100,962
		1,198,245	575,290
Creditors			
Amounts falling due within one year	9	(1,311,850)	(676,785)
Net current Liabilities		(113,605)	(101,495)
Total assets less current liabilities		543,118	591,486
Creditors: amounts falling due after more than one year	10	(401,701)	(426,516)
Provision for liabilities	12	(44,136)	(44,136)
Net assets		97,281	120,834
Capital and reserves			
Called up share capital	13	95,858	95,858
Revaluation reserve		225,829	231,522
Other reserves		853	853
Profit and loss reserves		(225,259)	(207,399)
Total equity		97,281	120,834

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 31 July 2019 and are signed on its behalf by:



Bruce Morrison
Director

Company Registration No. 02512047

The notes on pages 12 to 21 form part of the financial statements.

ANDERS + KERN UK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2019

	Share capital	Revaluation reserve	Other reserves	Profit and loss reserves	Total
At 1 April 2017	95,858	236,266	853	178,014	510,991
Loss for the period	-	-	-	(333,555)	(333,555)
Total comprehensive loss for the period	-	-	-	(333,555)	(333,555)
Transfer	-	(4,744)	-	4,744	-
Dividends paid	-	-	-	(56,602)	(56,602)
At 31 January 2018	95,858	231,522	853	(207,399)	120,834
At 1 February 2018	95,858	231,522	853	(207,399)	120,834
Loss for the period	-	-	-	(23,553)	(23,553)
Total comprehensive loss for the period	-	-	-	(23,553)	(23,553)
Transfer	-	(5,693)	-	5,693	-
At 31 January 2019	95,858	225,829	853	(225,259)	97,281

The notes on pages 12 to 21 form part of the financial statements.

ANDERS + KERN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019

1. Accounting policies

1.1 Company information

Anders + Kern UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Building 250, The Village, Butterfield, Luton, LU2 8DL.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The financial statements for the year ended 31 March 2017 were the first financial statements of Anders + Kern UK Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015.

1.3 Going concern

Notwithstanding net current liabilities of £113,605 as at 31 January 2019, a loss for the year then ended of £23,553 and operating cash outflows for the year, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 19 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, SmartSpace Software plc, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on SmartSpace Software plc and SmartSpace Global Limited not seeking repayment of the amounts currently due to the group, which at 31 January 2019 amounted to £41,774 and £107,406 respectively, and providing additional financial support during that period. SmartSpace Software plc and SmartSpace Global Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

ANDERS + KERN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019

1.4 Revenue

The Company derives revenue from the transfer of goods and services over time and at a point in time. Revenues from external customers come from the sale of hardware and systems integration. The Company has a number of different types of contractual arrangements and consequently applies a variety of methods of revenue recognition. The revenue and profit in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. In determining the amount of revenue and profits to record and related balance sheet items (such as trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of judgements and assumptions. Revenue is recognised when the performance obligation in a contract has been performed (so 'point in time' recognition) or over time as the performance obligation is transferred to the customer.

The transaction price, being the amount to which the Company expects to be entitled and has rights to under the contract, is allocated to the identified performance obligations. For each performance obligation, the Company determines if revenue will be recognised over time or at a point in time. Where the Company recognises revenue over time for long-term contracts, this is in general due to the Company performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract. For each performance obligation to be recognised over time, the Company applies a revenue recognition method that faithfully depicts the Company's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Company has promised to transfer to the customer. The Company applies the relevant output or input method consistently to similar performance obligations in other contracts. If performance obligations in a contract do not meet the over time criteria, the Group recognises revenue at a point in time. The Company disaggregates revenue from contracts with customers by contract type, as management believe this best depicts how the nature, amount, timing and uncertainty of the Company's revenue and cash flows are affected by economic factors. Categories are: 'long-term contractual – greater than two years'; and 'short-term contractual – less than two years'.

Hardware and Systems Integration

Hardware revenue is recognised when the performance obligation is fulfilled, usually when the hardware is delivered to the customer. Where installation services are sold alongside the hardware, revenue from those installation services are recognised when those services are delivered.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% straight line
Land and buildings Leasehold	Period of lease
Plant and machinery	25% straight line
Fixtures, fittings & equipment	20% straight line
Computer equipment	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

ANDERS + KERN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

ANDERS + KERN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019

Financial instruments (continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

ANDERS + KERN UK LIMITED **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 JANUARY 2019**

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the

asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2. Revenue

Reported revenue streams by nature are set out below:

	Year ended 31 January 2019 £	10 months to 31 January 2018 £
Provision of services	163,079	204,211
Sales of goods	2,503,000	2,064,599
Total revenue	<u>2,666,079</u>	<u>2,268,810</u>

ANDERS + KERN UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

3. Operating loss

The operating loss is stated after charging:

	Year ended 31 January 2019 £	10 months to 31 January 2018 £
Audit fee	12,800	8,500
Depreciation of owned tangible fixed assets	37,374	44,881
(Profit)/Loss on disposal of tangible fixed assets	13,625	13,231
Gain/(loss) on foreign exchange	40,453	35,332
Operating lease costs:		
- Motor vehicles	8,623	17,931
Exceptional items:		
- Integration items included in administrative expenses	-	64,087
- Stock adjustments included in cost of sales	-	272,223

4. Employee costs

	Year ended 31 January 2019 £	10 months to 31 January 2018 £
Wages and salaries	576,435	482,902
Pension contributions	21,068	19,240
Social security	66,534	61,502
Total	664,037	563,644

Number of employee's

	12	12
Administrative staff	12	12
Sales and distribution staff	7	7
Total staff	19	19

Directors remuneration

	Year ended 31 January 2019 £	10 months to 31 January 2018 £
Remuneration	211,327	182,248
Pension contributions	10,400	12,159
Total	221,727	194,407

Bruce Morrison, Spencer Dredge and Roisin Clawson did not receive remuneration for their positions as director of the company.

ANDERS + KERN UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

5. Interest payable

	Year ended 31 January 2019 £	10 months to 31 January 2018 £
Interest payable and similar expenses	15,717	13,717

6. Taxation

	Year ended 31 January 2019 £	10 months to 31 January 2018 £
Current tax		
UK corporation tax on profits for the current period	-	-
Over provision in prior year	-	(277)
Total current tax	-	(277)
Deferred tax movement	-	(5,698)
Taxation charge for the period	-	(5,975)
 Profit/(Loss) before taxation	 (23,553)	 (339,530)
 Tax at UK corporation tax rate of 19% (2018: 19.17%)	 (4,475)	 (64,510)
Non-deductible expenses	122	(405)
Unused tax losses not recognised as assets	2,944	56,481
Depreciation in excess of capital allowances	1,409	2,737
Adjustments to tax charge in respect of prior periods	-	(277)
Taxation charge for the period	-	(5,975)

7. Tangible fixed assets

	Land and buildings freehold £	Land and buildings leasehold £	Plant and machinery £	Fixture, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost							
At 1 February 2018	650,000	23,513	15,447	362,231	260,600	94,294	1,406,085
Additions	-	-	-	639	10,877	-	11,516
Disposals	-	(23,513)	(4,632)	(178,517)	(190,961)	(41,599)	(439,222)
At 31 January 2019	650,000	-	10,815	184,353	80,516	52,695	978,379
Depreciation							
At 1 February 2018	10,833	23,513	15,447	347,937	248,765	66,609	713,104
Charge for the period	13,000	-	-	7,320	5,431	11,623	37,374
Depreciation on disposals	-	(23,513)	(4,632)	(178,516)	(190,961)	(31,200)	(428,822)
At 31 January 2019	23,833	-	10,815	176,741	63,235	47,032	321,656
Carrying amount							
At 31 January 2019	626,167	-	-	7,612	17,281	5,663	656,723
At 31 January 2018	639,167	-	-	14,294	11,835	27,685	692,981

ANDERS + KERN UK LIMITED **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 JANUARY 2019**

Tangible fixed assets continued

Land and buildings with a carrying amount of £626,167 were revalued on 09/02/2017 by independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The directors consider the carrying value of land and buildings to be materially correct as there have been no significant market changes to the valuation of this category of property since the last revaluation in February 2017.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	31 January 2019	31 January 2018
	£	£
Cost	365,342	365,342
Accumulated depreciation	(86,464)	(79,158)
Carrying value	<u>278,878</u>	<u>286,184</u>

8. Debtors

	31 January 2019	31 January 2018
	£	£
Amounts falling due within one year:		
Trade debtors	501,741	345,293
Other debtors	7,471	24,512
Amounts owed from group undertakings	-	9,454
	<u>509,212</u>	<u>379,259</u>

9. Creditors: amounts falling due within one year

	31 January 2019	31 January 2018
	£	£
Bank loans and overdrafts (see note 11)	23,875	23,484
Trade creditors	530,194	349,394
Other taxation and social security	205,407	164,287
Other creditors	173,424	81,610
Amounts owed to group undertakings	149,180	58,010
Deferred income	229,770	-
	<u>1,311,850</u>	<u>676,785</u>

10. Creditors: amounts falling due after more than one year

	31 January 2019	31 January 2018
	£	£
Bank loans and overdrafts (see note 11)	<u>401,701</u>	<u>426,516</u>

ANDERS + KERN UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

11. Financial borrowings

The Company has a mortgage, secured against the freehold property owned by the Company with an amount outstanding at 31 January 2019 of £425,576 (2018: £450,000). The mortgage carries a coupon of 2.5% above the Bank of England base rate, is repayable in quarterly instalments of £9,180 representing interest and principal, with the final remaining balance due in January 2021.

Details of the scheduled repayments are set out below:

	31 January 2019	31 January 2018
	£	£
Amounts due within one year	23,875	23,484
Amounts due after one year	401,701	426,516
	<u>425,576</u>	<u>450,000</u>

12. Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	31 January 2019	31 January 2018
	£	£
Deferred tax liabilities:		
Accelerated capital allowances	-	-
Revaluations	47,585	47,585
Retirement benefit obligations	334	334
	<u>47,919</u>	<u>47,919</u>
Deferred tax assets:		
Accelerated capital allowances	(3,783)	(3,783)
	<u>44,136</u>	<u>44,136</u>

	31 January 2019
	£
Movements in the year:	
Liability at 1 February 2018	44,136
(Credit) to profit or loss	-
Liability at 31 January 2019	<u>44,136</u>

13. Called up share capital

	31 January 2019	31 January 2018
	£	£
Ordinary share capital issued and fully paid		
95,858 Allotted, called up of £1 each	<u>95,858</u>	<u>95,858</u>

ANDERS + KERN UK LIMITED **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 JANUARY 2019**

14. Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	31 January 2019	31 January 2018
	£	£
Due within one year	963	29,479
Due between 1 and 5 years	2,119	-

15. Ultimate parent company

The Company is a subsidiary undertaking of Smartspace Software PLC which is the ultimate parent company incorporated in England and Wales. The ultimate controlling party is Smartspace Software PLC.

The largest group in which the results of the Company are consolidated is that headed by Smartspace Software PLC, incorporated in England and Wales. The smallest group in which they are consolidated is that headed by Smartspace Software PLC incorporated in England and Wales. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from Building 250, The Village, Butterfield, Luton, LU2 8DL.