

**ANDERS + KERN UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2023**

**Company Registration No. 02512047 (England and Wales)**



# ANDERS + KERN UK LIMITED

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## **ANDERS + KERN UK LIMITED COMPANY INFORMATION**

### **DIRECTORS**

Kristian Shaw  
Spencer Dredge (resigned 28 April 2023)  
Barrie Meehan  
Frank Beechinor (appointed 28 April 2023)

### **COMPANY SECRETARY**

Kristian Shaw

### **COMPANY REGISTRATION NUMBER**

02512047

### **REGISTERED OFFICE**

Norderstedt House  
James Carter Way  
Mildenhall  
IP28 7RQ

### **AUDITOR**

Cooper Parry Group Limited  
Sky View, Argosy Road, East Midlands Airport  
Castle Donington, Derby  
DE74 2SA

# **ANDERS + KERN UK LIMITED**

## **DIRECTORS REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2023**

The directors present their annual report and financial statements for the year ended 31 January 2023.

#### **Principal activities**

The principal activity of the company is the distribution and installation of workplace technology encompassing audio visual hardware, sensor hardware, and associated software products.

#### **Directors**

The directors who served throughout the year, and up to the date of signing, were:

Spencer Dredge (resigned 28 April 2023)

Barrie Meehan

Kristian Shaw

Frank Beechinor (appointed 28 April 2023)

#### **Directors indemnity provision**

The company has qualifying third party indemnity provision for the benefit of its directors throughout the year and up to the date of approval of this report.

#### **Results and dividends**

The results for the period are set out on page 10.

During the year ended 31 January 2023 £nil dividends were paid to shareholders (2022: £nil).

#### **Auditor**

Cooper Parry Group Limited was appointed as auditor by the directors in January 2023 and in accordance with section 485 of the Companies Act 2006, a resolution proposing that Cooper Parry Group Limited be re-appointed as auditor will be put to the Shareholder.

#### **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

- select suitable accounting policies 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ANDERS + KERN UK LIMITED  
DIRECTORS REPORT  
FOR THE YEAR ENDED 31 JANUARY 2023**

**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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

A handwritten signature in black ink, appearing to read 'K.S.S.', with a large loop at the end.

**Kristian Shaw  
Director  
16 May 2023**

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

## **Opinion**

We have audited the financial statements of Anders + Kern U.K. Limited (the 'company') for the year ended 31 January 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on pages 4-5, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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

## **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

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

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliance which may have a material impact on the financial statements which included reviewing financial statement disclosures, compliance with tax regulation and discussions with management considering how health and safety legislation is complied with.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

*Cooper Parry Group Limited*

Melanie Hopwell

Senior Statutory Auditor

For and on behalf of Cooper Parry Group Limited, Statutory Auditor &  
Chartered Accountants

Sky View, Argosy Road, East Midlands Airport, Castle Donington  
Derby, DE74 2SA

16 May 2023

**ANDERS + KERN UK LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

	Notes	Year ended 31/01/2023 £	Year ended 31/01/2022 £
Revenue	2	2,161,981	1,812,224
Cost of Sales		(1,524,995)	(1,187,767)
<b>Gross profit</b>		<b>636,986</b>	<b>624,457</b>
Distribution costs		(16,270)	(23,446)
Administrative expenses		(755,265)	(897,883)
Other operating income	3	-	45,159
<b>Operating loss</b>	3	<b>(134,549)</b>	<b>(251,713)</b>
Interest payable and similar expenses	5	(14,561)	(11,838)
<b>Loss before taxation</b>		<b>(149,110)</b>	<b>(263,551)</b>
Taxation	6	37,538	52,949
<b>Loss for the period</b>		<b>(111,572)</b>	<b>(210,602)</b>
<b>Other comprehensive income</b>			
Gains arising on tangible fixed assets		-	72,562
<b>Total other comprehensive income</b>		-	<b>72,562</b>
<b>Total comprehensive loss</b>		<b>(111,572)</b>	<b>(138,040)</b>

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

The notes on pages 13 to 23 form part of the financial statements.

**ANDERS + KERN UK LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2023**

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	7	680,305	691,583
<b>Current assets</b>			
Stocks		104,767	202,674
Debtors	8	423,318	339,837
Cash at bank and in hand		160,648	336,104
		<b>688,733</b>	<b>878,615</b>
<b>Creditors</b>			
Amounts falling due within one year	9	(1,382,151)	(1,562,617)
<b>Net current liabilities</b>		<b>(693,418)</b>	<b>(684,002)</b>
<b>Total assets less current liabilities</b>		<b>(13,113)</b>	<b>7,581</b>
Creditors: amounts falling due after more than one year		-	-
Provision for liabilities		-	-
<b>Net (liabilities) / assets</b>		<b>(13,113)</b>	<b>7,581</b>
<b>Capital and reserves</b>			
Called up share capital	12	95,858	95,858
Revaluation reserve		279,698	279,698
Capital redemption reserve		853	853
Equity contribution reserve		90,878	-
Profit and loss reserves		(480,400)	(368,828)
<b>Total equity</b>		<b>(13,113)</b>	<b>7,581</b>

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 16 May 2023 and are signed on its behalf by:



**Kristian Shaw**  
**Director**

**Company Registration No. 02512047**

The notes on pages 13 to 23 form part of the financial statements.

**ANDERS + KERN UK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

	Share capital	Revaluation reserve	Capital redemption reserve	Equity contribution reserve	Profit and loss reserves	Total
At 1 February 2021	95,858	207,136	853	-	(158,226)	145,621
Loss for the period	-	-	-	-	(210,602)	(210,602)
Gains arising on revaluation of tangible fixed assets	-	72,562	-	-	-	72,562
Total comprehensive loss for the period	-	72,562	-	-	(210,602)	(138,040)
Transfer	-	-	-	-	-	-
At 31 January 2022	95,858	279,698	853	-	(368,828)	7,581
<b>At 1 February 2022</b>	<b>95,858</b>	<b>279,698</b>	<b>853</b>	<b>-</b>	<b>(368,828)</b>	<b>7,581</b>
Loss for the period	-	-	-	-	(111,572)	(111,572)
Total comprehensive loss for the period	-	-	-	-	(111,572)	(111,572)
Equity contribution	-	-	-	90,878	-	90,878
Transfer	-	-	-	-	-	-
At 31 January 2023	95,858	279,698	853	90,878	(480,400)	(13,113)

The revaluation reserve arose on the revaluation of certain freehold land and buildings.

The notes on pages 13 to 23 form part of the financial statements.

# **ANDERS + KERN UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 JANUARY 2023**

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#### **1. Accounting policies**

##### **1.1 Company information**

Anders + Kern UK Limited is a private company limited by shares incorporated and domiciled in England and Wales. The registered office is Norderstedt House, James Carter Road, Mildenhall, England, IP28 7RQ.

##### **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 pound.

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

##### **1.3 Going concern**

Notwithstanding net current liabilities of £693,418 as at 31 January 2023 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 at least 12 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 not seeking repayment of the amount currently due to the group, which at 31 January 2023 amounted to £529,590. SmartSpace Software plc has indicated its intention to not 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.

The directors of SmartSpace Software plc have also prepared forecasts for a period of at least 12 months from the date of approval of these financial statements and after making enquiries and taking into account the letter of support provided the directors are satisfied that support will be available.

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.

##### **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

# ANDERS + KERN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JANUARY 2023

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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 Company recognises revenue at a point in time.

#### 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:

Freehold buildings	2% straight line
Plant and machinery	25% straight line
Fixtures, fittings & equipment	20% straight line
Computer equipment	20% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

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.

#### 1.6 Impairment of fixed assets

At each reporting 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.

# ANDERS + KERN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JANUARY 2023

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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 statement of financial position 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.

#### ***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.

# ANDERS + KERN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JANUARY 2023

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#### ***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 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.

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.



# ANDERS + KERN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JANUARY 2023

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#### 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 asset's 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.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

## 2. Revenue

Reported revenue streams by nature are set out below:

	Year ended 31 January 2023 £	Year ended 31 January 2022 £
Provision of services	129,226	178,158
Sales of goods	2,032,755	1,634,066
Total revenue	<u>2,161,981</u>	<u>1,812,224</u>

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**3. Operating (loss) / profit**

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

	Year ended 31 January 2023 £	Year ended 31 January 2022 £
Audit fee	15,000	15,000
Depreciation of owned tangible fixed assets	20,456	21,953
(Gain) on foreign exchange	(7,332)	(23,490)
Job Retention Scheme grant	-	(45,159)
Operating lease costs:		
- Office equipment	744	594
Stock impairment and adjustments included in cost of sales	(363)	(69,571)

**4. Employee costs**

	Year ended 31 January 2023 £	Year ended 31 January 2022 £
Wages and salaries	484,829	614,188
Social security	19,198	48,406
Pension contributions	54,209	19,781
<b>Total</b>	<b>558,236</b>	<b>682,375</b>

**Number of employees**

Administrative staff	9	10
Sales and distribution staff	2	3
<b>Total staff</b>	<b>11</b>	<b>13</b>

**Directors' remuneration**

	Year ended 31 January 2023 £	Year ended 31 January 2022 £
Remuneration	251,608	232,228
Compensation for loss of office	-	45,342
Pension contributions	9,811	9,537
<b>Total</b>	<b>261,419</b>	<b>287,107</b>

Kristian Shaw did not receive remuneration for his position as director of the company.

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**Highest paid director**

	Year ended 31 January 2023 £
Emoluments	190,000
Pension contributions to money purchase schemes	7,154
<b>Total</b>	<b>197,154</b>

**5. Interest payable**

	Year ended 31 January 2023 £	Year ended 31 January 2022 £
Bank interest payable	14,561	9,679
Other interest payable	-	2,159
	<b>14,561</b>	<b>11,838</b>

**6. Taxation**

	Year ended 31 January 2023 £	Year ended 31 January 2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	-
Over provision in prior year	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
Adjustments in respect of prior years	(1,044)	(63)
Deferred tax movement	(36,494)	(52,886)
<b>Taxation credit for the period</b>	<b>(37,538)</b>	<b>(52,949)</b>

The tax charge for the year can be reconciled to the (loss) as disclosed in the statement of comprehensive income as follows:

<b>(Loss) before taxation</b>	<b>(149,110)</b>	<b>(263,551)</b>
<b>Tax at UK corporation tax rate of 19% (2022: 19%)</b>	<b>(28,331)</b>	<b>(50,075)</b>
Non-deductible expenses	699	5,495
Different tax rate for expected loss relief	(8,862)	(8,306)
Adjustments in respect of prior years	(1,044)	(63)
<b>Taxation credit for the period</b>	<b>(37,538)</b>	<b>(52,949)</b>

The closing deferred tax provision has been calculated at 25% in accordance with the rate enacted at the statement of financial position date. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021

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**7. Tangible fixed assets**

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 February 2022	680,000	10,815	164,628	42,629	30,885	928,957
Additions	-	3,250	3,114	2,814	-	9,178
Disposals	-	-	-	-	-	-
At 31 January 2023	680,000	14,065	167,742	45,443	30,885	938,135
Depreciation						
At 1 February 2022	2,867	10,815	159,244	33,563	30,885	237,374
Charge for the period	12,919	542	2,313	4,682	-	20,456
Depreciation on disposals	-	-	-	-	-	-
At 31 January 2023	15,786	11,357	161,557	38,245	30,885	257,830
Carrying amount						
At 31 January 2023	664,214	2,708	6,185	7,198	-	680,305

  

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 February 2021	650,000	10,815	164,130	42,452	30,885	898,282
Additions	-	-	498	1,357	-	1,855
Revaluation	30,000	-	-	-	-	30,000
Disposals	-	-	-	(1,180)	-	(1,180)
At 31 January 2022	680,000	10,815	164,628	42,629	30,885	928,957
Depreciation						
At 1 February 2021	49,833	10,815	156,261	28,994	29,219	275,122
Charge for the period	12,617	-	2,983	4,688	1,666	21,954
Revaluation	(59,583)	-	-	-	-	(59,583)
Depreciation on disposals	-	-	-	(119)	-	(119)
At 31 January 2022	2,867	10,815	159,244	33,563	30,885	237,374
Carrying amount						
At 31 January 2022	677,133	-	5,384	9,066	-	691,583

The carrying value of land and buildings freehold includes £106,667 of undepreciated land.

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**8. Debtors**

	31 January 2023	31 January 2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	202,549	89,748
Other debtors	27,322	65,725
Amounts owed by group undertakings	120,993	149,448
Deferred tax assets (see note 11)	72,454	34,916
	<b>423,318</b>	<b>339,837</b>

**9. Creditors: amounts falling due within one year**

	31 January 2023	31 January 2022
	£	£
Bank loans and overdrafts (see note 10)	334,306	354,718
Trade creditors	195,975	158,485
Other taxation and social security	111,147	43,919
Other creditors	122,189	252,846
Amounts owed to group undertakings	529,590	698,207
Deferred income	88,944	54,442
	<b>1,382,151</b>	<b>1,562,617</b>

**10. Financial borrowings**

The Company has a mortgage, secured against the freehold property owned by the Company and by cross guarantee by other members of the group with an amount outstanding at 31 January 2023 of £334,306 (2022: £354,718). The mortgage carries a coupon of 2.5% above the Bank of England base rate, is repayable in quarterly instalments of £9,369 representing interest and principal, with the final balance fully paid during February 2023.

Details of the scheduled repayments are set out below:

	31 January 2023	31 January 2022
	£	£
Amounts due within one year	334,306	354,718
Amounts due after one year	-	-
	<b>334,306</b>	<b>354,718</b>

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#### 11. Deferred taxation

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

	31 January 2023 £	31 January 2022 £
<b>Deferred tax liabilities:</b>		
Revaluations	71,862	73,595
	<u>71,862</u>	<u>73,595</u>
<b>Deferred tax assets:</b>		
General provisions	434	307
Tax losses	143,882	108,204
	<u>144,316</u>	<u>108,511</u>
 Net deferred tax assets / (liabilities)	 <u>72,454</u>	 <u>34,916</u>
	<b>31 January 2023</b> £	
<b>Movements in the year:</b>		
Liability at 1 February 2022		34,916
Credit to profit or loss		37,538
Charge to other comprehensive income		-
Asset at 31 January 2023		<u>72,454</u>

#### 12. Called up share capital

	31 January 2023 £	31 January 2022 £
<b>Ordinary share capital issued and fully paid</b>		
95,858 Allotted, called up of £1 each	<u>95,858</u>	<u>95,858</u>

#### 13. Operating lease commitments

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

	31 January 2023 £	31 January 2022 £
Due within one year	652	554
Due between 1 and 5 years	<u>2,662</u>	<u>139</u>

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**14. Ultimate parent company**

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

The smallest and largest group in which the results of the Company are consolidated is that headed by Smartspace Software PLC, incorporated in England and Wales. The consolidated financial statements of Smartspace Software PLC are available to the public and may be obtained from Norderstedt House, James Carter Road, Mildenhall, England, IP28 7RQ and are available at [www.smartspaceplc.com](http://www.smartspaceplc.com).