

Registration number: 06022519

Explorer Holdings UK Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 July 2020

Blackman Terry LLP
Bolney Place
Cowfold Road
Bolney
Haywards Heath
West Sussex
RH17 5QT

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Explorer Holdings UK Limited

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Explorer Holdings UK Limited

Company Information

Director	Mr J D McFarlane
Registered office	Breakspear Park Breakspear Way Hemel Hempstead Herts HP2 4TZ
Accountants	Blackman Terry LLP Bolney Place Cowfold Road Bolney Haywards Heath West Sussex RH17 5QT

Explorer Holdings UK Limited

Strategic Report for the Year Ended 31 July 2020

The director presents his Strategic Report for Explorer Holdings UK Limited (the "company") for the year ended 31st July 2020.

Business review and key performance indicators (KPIs)

The company is a holding company, which has an investment in a group of companies trading under the RedSky IT banner. The company is owned by JDM Technology Group Limited. The company is registered in the UK as a limited company with the registration number 6022519.

Cash balances as at 31 July 2020 were £Nil (2019: £Nil).

Principal risks and uncertainties

The business is a holding company and therefore has limited direct exposure to business risk.

The key business risks and uncertainties affecting the company are linked to the success of the company's subsidiaries business. These in turn relate to competitors, product availability, the development of new products and general economic conditions in the construction industry.

The Board formally reviews risks and appropriate processes put in place to monitor and mitigate them. If several events occur, it is possible that the overall effect of such events would compound the possible adverse effects on the group.

Financial risk management

The group has established a treasury function, which supports the operating activities of the business. Its primary role is to ensure that adequate resources are available to meet the funding requirements of the business on a day-to-day basis and for ensuring that financial risk arising from the group's underlying operations are effectively identified and managed.

The group's operations expose it to a variety of financial risks that include credit risk, liquidity risk and foreign exchange risk.

Credit risk

The business has not traded and does not have exposure to credit risk.

Liquidity risk

Arrangements are made with group undertakings to ensure that suitable and appropriate access to long term funding is available. Short-term working capital requirements are monitored through cash flow forecasting.

Foreign exchange risk

The business does not trade and does not have exposure to exchange risk.

Future developments

The Company will continue to be a holding company for the foreseeable future.

Explorer Holdings UK Limited

Strategic Report for the Year Ended 31 July 2020

Dec 4, 2020

Approved by the director on and signed on its behalf by:

Jim McFarlane

Jim McFarlane (Dec 4, 2020 08:40 MST)

Mr J D McFarlane
Director

Explorer Holdings UK Limited

Director's Report for the Year Ended 31 July 2020

The director presents his annual report and the financial statements of Explorer Holdings UK Limited for the year ended 31 July 2020.

Principal activities

The business's primary activity is that of a holding company.

Results and dividends

The company did not trade in the year or previous year.

The director does not propose a dividend (2019: £nil).

Director

The Director who held office during the year, and up to the date of signing of these financial statements, was as follows:

J D McFarlane

Future developments

The future developments of the business are discussed in the Strategic Report.

Research and development

The company did not carry out any expenditure in the year.

Political and Charitable Donations

The company made no political or charitable donations in the year.

Post balance sheet events

None are noted at this time.

Statement of directors' responsibilities in respect of the financial statements

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

Explorer Holdings UK Limited

Director's Report for the Year Ended 31 July 2020

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The director is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of the director in office at the date the Director's Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Independent auditors

The Company has taken exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Dec 4, 2020

Approved by the director on and signed on its behalf by:



Jim McFarlane (Dec 4, 2020 08:40 MST)

Mr J D McFarlane
Director

**Chartered Accountants' Report to the Director on the Preparation of the Unaudited
Statutory Accounts of
Explorer Holdings UK Limited
for the Year Ended 31 July 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Explorer Holdings UK Limited for the year ended 31 July 2020 as set out on pages 7 to 15 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of Explorer Holdings UK Limited, as a body, in accordance with the terms of our engagement letter dated 22 July 2019. Our work has been undertaken solely to prepare for your approval the accounts of Explorer Holdings UK Limited and state those matters that we have agreed to state to the Board of Directors of Explorer Holdings UK Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Explorer Holdings UK Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Explorer Holdings UK Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and results of Explorer Holdings UK Limited. You consider that Explorer Holdings UK Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Explorer Holdings UK Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Blackman Terry LLP
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Blackman Terry LLP
Bolney Place
Cowfold Road
Bolney
Haywards Heath
West Sussex
RH17 5QT
Date: Dec 9, 2020

Explorer Holdings UK Limited

Profit and Loss Account for the Year Ended 31 July 2020

	Note	2020 £	2019 £
Turnover		-	-
Gross profit/(loss)		-	-
Operating profit/(loss)		-	-
Profit/(loss) before tax		-	-
Profit/(loss) for the financial year		-	-

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 11 to 15 form an integral part of these financial statements.

Explorer Holdings UK Limited

Statement of Comprehensive Income for the Year Ended 31 July 2020

	2020	2019
	£	£
Profit/(loss) for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>

The notes on pages 11 to 15 form an integral part of these financial statements.

Explorer Holdings UK Limited
(Registration number: 06022519)
Balance Sheet as at 31 July 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	3	27,000,000	27,000,000
Current assets			
Debtors	4	2,000,000	2,000,000
Creditors: Amounts falling due within one year	5	<u>(2,000,000)</u>	<u>(2,000,000)</u>
Net current assets/(liabilities)		<u>-</u>	<u>-</u>
Net assets		<u>27,000,000</u>	<u>27,000,000</u>
Capital and reserves			
Called up share capital		10,000,000	10,000,000
Profit and loss account		<u>17,000,000</u>	<u>17,000,000</u>
Shareholders' funds		<u>27,000,000</u>	<u>27,000,000</u>

For the financial year ending 31 July 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Dec 4, 2020

Approved and authorised by the director on

Jim McFarlane
Jim McFarlane; Dec 4, 2020 08:10 MST)

Mr J D McFarlane
Director

Explorer Holdings UK Limited

Statement of Changes in Equity for the Year Ended 31 July 2020

	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 August 2019	<u>10,000,000</u>	<u>17,000,000</u>	<u>27,000,000</u>
At 31 July 2020	<u>10,000,000</u>	<u>17,000,000</u>	<u>27,000,000</u>
	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 August 2018	<u>10,000,000</u>	<u>17,000,000</u>	<u>27,000,000</u>
At 31 July 2019	<u>10,000,000</u>	<u>17,000,000</u>	<u>27,000,000</u>

The notes on pages 11 to 15 form an integral part of these financial statements.

Explorer Holdings UK Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

1 General information

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

The address of its registered office is:

Breakspear Park
Breakspear Way
Hemel Hempstead
Herts
HP2 4TZ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

Summary of disclosure exemptions

Consolidation exemption

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements because it is a wholly owned subsidiary of JDM Technology Group Limited, which prepares consolidated financial statements which are publicly available. Accordingly, these financial statements are those of the company and not of its group.

Cash flow statement

The company has taken advantage of the exemption under Section 7 or FRS 102 and p3.17(d) not to prepare a statement of cash flows as it is a wholly owned subsidiary of JDM Technology Group Limited, which has prepared consolidated financial statements with a cash flow statement and these financial statements are publicly available.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Explorer Holdings UK Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Trade debtors

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

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

Trade creditors

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

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

Share capital

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

3 Investments

	2020 £	2019 £
Investments in subsidiaries	<u>27,000,000</u>	<u>27,000,000</u>
Subsidiaries		£
Cost or valuation		
At 1 August 2019		<u>27,000,000</u>
Provision		
Carrying amount		
At 31 July 2020		<u>27,000,000</u>
At 31 July 2019		<u>27,000,000</u>

Explorer Holdings UK Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking			Registered office	Holding	Proportion of voting rights and shares held	
					2020	2019
Subsidiary undertakings						
Redsky Limited	IT Holdings		Breakspear Park, Breakspear Way, Hemel Hempstead,Herts, HP2 4TZ England	Ordinary	100%	100%
RedSky Limited*	IT (Hemel)		Breakspear Park, Breakspear Way, Hemel Hempstead,Herts, HP2 4TZ England	Ordinary	100%	100%
Redsky Limited*	IT (Crick)		Breakspear Park, Breakspear Way, Hemel Hempstead,Herts, HP2 4TZ England	Ordinary	100%	100%
Coulson Heron Associates Limited**			Breakspear Park, Breakspear Way, Hemel Hempstead,Herts, HP2 4TZ England	Ordinary	100%	100%

* Indirectly held via RedSky IT Holdings Limited

** Indirectly held via RedSky IT (Crick) Limited

Subsidiary undertakings

Redsky IT Holdings Limited

The principal activity of Redsky IT Holdings Limited is that of a holding company.

*RedSky IT (Hemel) Limited**

The principal activity of RedSky IT (Hemel) Limited* is that of a software developer and supplier.

*Redsky IT (Crick) Limited**

The principal activity of Redsky IT (Crick) Limited* is that of a dormant company.

*Coulson Heron Associates Limited***

The principal activity of Coulson Heron Associates Limited** is that of a dormant company.

Explorer Holdings UK Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

4 Debtors

	Note	2020 £	2019 £
Amounts owed by related parties	7	<u>2,000,000</u>	<u>2,000,000</u>

5 Creditors

	Note	2020 £	2019 £
Due within one year			
Amounts due to related parties	7	<u>2,000,000</u>	<u>2,000,000</u>

6 Share capital

Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

7 Related party transactions

Summary of transactions with entities with joint control or significant interest

The company has taken advantage of the exemption granted to wholly owned subsidiaries not to disclose transactions with group undertakings under the provisions of FRS 102 para 33.1A.

Amounts owed by group undertakings are unsecured, interest free and are payable on demand.

Explorer Holdings UK Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

8 Parent and ultimate parent undertaking

The director regards the immediate controlling party to be JDM Technology Group Limited, a company incorporated in England and Wales. JDM Technology Group Limited produces consolidated financial statements for itself and all its subsidiaries, representing the smallest group for which financial statements are produced and are publicly available, which include the company. Copies of the group financial statements of JDM Technology Group Limited can be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

JDM Technology Group Inc., a company incorporated in Canada, is the ultimate parent undertaking, and J D McFarlane, by virtue of his interest in JDM Technology Group Inc., is considered to be the ultimate controlling party.

The company's immediate parent is JDM Technology Group Limited, incorporated in England and Wales.

The ultimate parent is JDM Technology Group Inc., incorporated in Canada.

The ultimate controlling party is J D McFarlane.