

Company registration number 02097097 (England and Wales)

BRITANNIC TECHNOLOGIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



BRITANNIC TECHNOLOGIES LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | R L Dendle J C Sharp M Raymond |
| Company number | 02097097 |
| Registered office | Britannic House Merrow Business Park Guildford Surrey GU4 7WA |
| Auditor | Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey United Kingdom GU7 1LQ |
| Bankers | Lloyds TSB Bank plc 147 High Street Guildford Surrey GU1 3AG |

BRITANNIC TECHNOLOGIES LIMITED

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BRITANNIC TECHNOLOGIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

I am delighted to present our audited report and accounts, showcasing our unwavering commitment to delivering excellence in enterprise-class business communication interaction management and fulfilment solutions, IT networking, and professional services. At Britannic Technologies, we are proud to offer a unique blend in our industry, serving as value-added resellers, systems integrators, managed service providers, and application developers.

Over the past year, we have expanded and strengthened our portfolio to support omni-channel cloud communications, automation, data analytics, insights, AI, and machine learning in collaboration with leading vendors in the market. Our focus has been on supporting digital transformation and communications modernisation programs, enhancing customer and employee experiences, reducing infrastructure management overhead, and leveraging cloud and as-a-service solutions. We are thrilled to have achieved great success in securing new customers and supporting and developing with existing ones, including global deployments that highlight the scalability of our solutions.

By harnessing the latest technology advancements and combining them with our enhanced services and design-led approaches, we consistently deliver outstanding outcomes, successful change, and drive business modernisation and transformation programs. Our commitment to partnership, innovation, and consultative services forms the foundation of our approach, ensuring that we create significant value for our stakeholders.

Business Review

At Britannic Technologies, we continue to expand our go-to-market offerings, managed services, partner ecosystem, in-house IP/developed offerings centred around netX, technical capability, and consultative services. Our goal is to provide highly customer-focused, end-to-end managed solutions that cater to the evolving needs of our clients.

Our approach and solutions reflect the increasing demand for cloud services, underpinned by security and business continuity. To stay at the forefront of the industry, we invest in training and recruit additional personnel to further strengthen our support teams.

During the past year, we made significant progress in both developing our existing accounts and acquiring new customers, yielding positive results in a challenging marketplace. Additionally, we devoted substantial resources to reviewing our existing processes and implementing a new CRM and CZONE (Customer Portal), enhancing interdepartmental collaboration, service experiences, and customer self-service capabilities.

We have observed a growing interest in "intelligent applications" powered by AI. As a testament to our commitment to innovation, we have successfully deployed a range of Bizvu applications, such as the Bizvu Inbox and BiziBOT. Moreover, we have received excellent feedback on our new developments for the Bizvu platform.

The complete replacement of our core network with state-of-the-art Juniper infrastructure represents a substantial investment. This initiative, including our new optical backbone between data centres and SDN-powered infrastructure, has improved agility, resilience, and control. We have now completed the full customer migration, positioning us to deliver next-generation networking offerings and network management that adds even greater value to our customers and the broader market.

Regarding research and development, we heavily invest in our software development capabilities, extending our focus to include Developer Operations (DevOps) and Infrastructure as a Service. Our efforts centre around bringing new cloud services to market every year, leveraging automation and self-service to enhance our existing products and networks.

We take pride in being recognised as "a centre of expertise" for supporting the growing need for supply chain consolidation, centralisation, and virtualisation of ICT infrastructure. Our flexible, adaptive approach provides a clear roadmap for technology development, empowering our customers to enhance their own operational productivity.

BRITANNIC TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Business performance

In the year under review, our company achieved a pre-tax profit of £0.23m (2022: £0.26m) and recorded sales of £11.5m (2022: £10.8m). Despite a slight decrease in pre-tax profit compared to the previous year, we are proud to note an increase in turnover year-on-year, driven by changes in our portfolio, growth in recurring revenues, and the adoption of as-a-service offerings.

To strengthen our core offerings, we invested in a large-scale carrier-grade SBC platform, extending the interoperability capabilities of netX, Britannic's carrier-grade SIP platform. This expansion enabled us to connect with a broader range of systems, including leading vendors such as Microsoft (Teams) and Zoom. Furthermore, we introduced new value-added applications like Dynamic Call Routing, WebRTC, Direct Routing, and Interaction Analytics, further enhancing the value we provide to the market.

While our profit for the year is lower than the previous year, it is important to recognise the significant changes, investment, and developments we undertook in our portfolio, in-house applications, and business infrastructure. These investments paved the way for achieving profitability and laid the groundwork for continued growth, personnel development, and infrastructure enhancements. With a cash balance of £6.7m (2022: £6.4m), our business remains in a strong position to invest in future growth.

The following table provides a summary of Key Performance Indicators considered applicable in the assessment of the performance of the business:

| | Year ended 31 March 2022 | Year ended 31 March 2023 |
|---------------------------------------|--------------------------|--------------------------|
| Turnover | £10.8m | £11.5m |
| Turnover Growth | (4.8)% | 6% |
| Gross Profit % | 59% | 56% |
| Operating Profit % | 2.1% | 1% |
| Operating Expenses as a % of turnover | 58.1% | 56.7% |
| Equipment sales as a % of turnover | 17% | 23% |
| Cash at bank and in hand | £6.4m | £6.7m |

Principal Business Activities

Britannic Technologies is a leading value-added reseller in the Unified Communications (UC) and Contact Centre (CC) market, serving as a systems integrator, managed service provider, and application developer. Our close collaboration with customers allows us to analyse their business communication needs and deploy tailor-made solutions. Through our world-class global partner ecosystem, customer-focused professional services, and innovative application developments, we address current requirements while laying the foundations for future scalability, business evolution, and technological and business model innovation.

Our suite of services encompasses design, delivery, support, development, consultancy, change management, account, and service management, making us a strategic partner intimately involved in our customers' communication lifelines. We understand that the experience of customers and employees within their own businesses is paramount to success.

In this dynamic landscape, our partnerships with industry leaders such as Mitel, 8x8, Five9, Calabrio, Uniphore, Bizvu, BT, Cisco, and Juniper have been instrumental in delivering end-to-end solutions at scale. By bringing together the best of technology and innovation, we ensure our clients stay at the forefront of communication solutions with open and agile platforms and infrastructure.

BRITANNIC TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Principal Business Risks

Like any business, Britannic Technologies faces a range of risks. However, our pragmatic risk management approach involves continuous evaluation and mitigation strategies. Some of the risks we proactively address include:

Technological Disruptions: We recognise the rapid pace of technological advancements and foster a culture of innovation and learning. Through our Innovation Hub, we actively track changes and bring new opportunities and value to the market, collaborating with colleagues, customers, and partners. Research and development form integral parts of our investment strategy, enabling us to provide our customers with solutions that enhance their operational productivity.

Regulatory Compliance: We adapt to changing regulations and standards by maintaining a well-established quality and compliance framework. External audits, adherence to best practices, appropriate certifications, and a robust regulatory awareness and adaptation program ensure our offerings remain compliant.

Market Competition: To thrive in a competitive landscape, we continuously enhance our value proposition through diverse partnerships, robust solutions, and unparalleled customer service.

Financial Risks: Our financial risk is considered low due to our large cash balance and lack of borrowings. We have implemented policies that involve appropriate credit checks on potential customers and require deposits for significant sales and implementations, ensuring low credit risk.

Cybersecurity Risks: We prioritise safeguarding data and communication channels, implementing stringent cybersecurity protocols and management systems. We educate our customers and colleagues on best practices to mitigate cybersecurity risks.

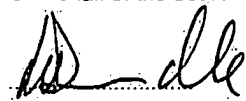
Position in the Market

Britannic Technologies has become synonymous with reliability, innovation, and excellence as a provider of business communication platforms and networking in the UK market. We are the backbone of Mid-market and Enterprise-level customers across public and private sector organisations, who consider our services critical to their operations. Our market relevance stems from our business acumen, customer-centric approach, technical capabilities, and strategic partnerships, resulting in an unparalleled experience for our clients.

Future outlook

Looking ahead, Britannic Technologies is fully committed to embracing future challenges and opportunities, particularly in areas such as Omni-channel communications, AI, Interaction Analytics, SIP, Cloud Services, networking, and professional services. We will continue investing in innovation, forging meaningful partnerships, and, above all, serving our customers with unwavering dedication.

On behalf of the board



R L Dendle

Director

Date: 21st July 23

BRITANNIC TECHNOLOGIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

Results and dividends

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

Ordinary dividends were paid amounting to £100,000 (2022 - £100,000). The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R L Dendle
J C Sharp
M Raymond

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Strategic report

The directors have chosen to show information relating to future developments, financial risk management and research and development in the strategic report.

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.

BRITANNIC TECHNOLOGIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board



R L Dendle
Director

Date: *21st July 23*

BRITANNIC TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRITANNIC TECHNOLOGIES LIMITED

Opinion

We have audited the financial statements of Britannic Technologies Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

BRITANNIC TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRITANNIC TECHNOLOGIES LIMITED

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BRITANNIC TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRITANNIC TECHNOLOGIES LIMITED

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. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.


In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.



James Leigh (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Chartered Accountants
Statutory Auditor

Date: 21 July 2023

Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

BRITANNIC TECHNOLOGIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

| | | 2023 | 2022 |
|--|-------|------------------|------------------|
| | Notes | £ | £ |
| Turnover | 3 | 11,468,917 | 10,793,711 |
| Cost of sales | | (5,050,648) | (4,421,633) |
| Gross profit | | 6,418,269 | 6,372,078 |
| Administrative expenses | | (6,504,439) | (6,274,618) |
| Other operating income | | 273,984 | 129,688 |
| Operating profit | 5 | 187,814 | 227,148 |
| Interest receivable and similar income | 8 | 45,610 | 33,536 |
| Profit before taxation | | 233,424 | 260,684 |
| Tax on profit | 9 | (28,130) | (57,154) |
| Profit for the financial year | | 205,294 | 203,530 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

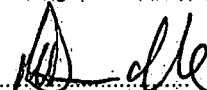
BRITANNIC TECHNOLOGIES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

| | Notes | 2023 | | 2022 | |
|--|-------|--------------------|-------------------------|--------------------|-------------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 11 | | 258,690 | | 376,943 |
| Tangible assets | 12 | | 125,822 | | 226,917 |
| Investment properties | 13 | | 965,000 | | 845,000 |
| | | | <u>1,349,512</u> | | <u>1,448,860</u> |
| Current assets | | | | | |
| Stocks | 14 | 110,083 | | 49,711 | |
| Debtors | 15 | 2,786,195 | | 2,861,799 | |
| Cash at bank and in hand | | 6,689,951 | | 6,437,745 | |
| | | | <u>9,586,229</u> | <u>9,349,255</u> | |
| Creditors: amounts falling due within one year | 16 | <u>(2,375,579)</u> | | <u>(2,248,628)</u> | |
| Net current assets | | | <u>7,210,650</u> | | <u>7,100,627</u> |
| Total assets less current liabilities | | | <u>8,560,162</u> | | <u>8,549,487</u> |
| Creditors: amounts falling due after more than one year | 17 | | | | (75,525) |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 18 | <u>126,774</u> | <u>(126,774)</u> | <u>145,868</u> | <u>(145,868)</u> |
| Net assets | | | <u><u>8,433,388</u></u> | | <u><u>8,328,094</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 20 | | 100 | | 100 |
| Profit and loss reserves | | | <u>8,433,288</u> | | <u>8,327,994</u> |
| Total equity | | | <u><u>8,433,388</u></u> | | <u><u>8,328,094</u></u> |

The financial statements were approved by the board of directors and authorised for issue on 28th July 23 and are signed on its behalf by:



R L Dendle
Director

Company Registration No. 02097097

BRITANNIC TECHNOLOGIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-------|--------------------|-------------------------------|------------|
| Balance at 1 April 2021 | | 100 | 8,224,464 | 8,224,564 |
| Year ended 31 March 2022: | | | | |
| Profit and total comprehensive income for the year | | - | 203,530 | 203,530 |
| Dividends | 10 | - | (100,000) | (100,000) |
| Balance at 31 March 2022 | | 100 | 8,327,994 | 8,328,094 |
| Year ended 31 March 2023: | | | | |
| Profit and total comprehensive income for the year | | - | 205,294 | 205,294 |
| Dividends | 10 | - | (100,000) | (100,000) |
| Balance at 31 March 2023 | | 100 | 8,433,288 | 8,433,388 |

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Britannic Technologies Limited is a private company limited by shares incorporated in England and Wales. The registered office is Britannic House, Merrow Business Park, Guildford, Surrey, GU4 7WA.

1.1 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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 investment properties at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Britannic Group (Holdings) Limited. These consolidated financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

1.2 Going concern

The directors have reviewed cash flow forecasts for the business covering a period of at least 12 months from the date of approval of these financial statements and are confident that sufficient resources are available to support ongoing trading activity. The financial statements have therefore been prepared on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business and is recognised on delivery or installation of the product. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Contracted maintenance revenue is recognised over the period of the contract on a pro-rata basis.

Licence fee income is recognised at the point of sale for all non-recourse sales and spread evenly over the licence period of the recourse sales.

Other income

Rental income

Rental income on assets leased under operating leases is recognised on a straight-line basis over the lease term and is presented within other income.

Research and development

Research and development tax credits are recognised in the period in which they were generated within other income.

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

| | |
|-----------------------------|-------------------|
| Purchased computer software | 25% straight line |
|-----------------------------|-------------------|

Amortisation is revised prospectively for any significant change in useful life or residual value.

The directors have chosen these useful lives for the intangible assets as they represent the length of time the assets are expected to be used in the company.

On disposal, the difference between the net disposal proceeds and their carrying amount of the intangible asset is recognised in profit or loss.

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 provided on all tangible fixed assets, other than freehold land and investment properties.

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:

| | |
|------------------------|----------------------------|
| Leasehold improvements | over the life of the lease |
| Plant and equipment | 10% - 25% straight line |
| Fixtures and fittings | 15% - 25% 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.

1.6 Investment properties

Investment properties (including properties held under an operating lease) are initially measured at cost and subsequently measured at fair value if available without undue cost or effort. Changes in fair value are recognised in the profit or loss.

The Companies Act 2006 requires all properties to be depreciated. However this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The directors consider that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the profit for the year would have been reduced by depreciation. However the amounts of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount relating to depreciation of the property cannot be separately identified.

Acquisitions and disposals of investment properties are recognised in the financial statements when the company has a contractual obligation to purchase or sell the property. On the disposal of an investment property any balance relating to the property held in the non-distributable reserve is transferred to realised reserves.

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.8 Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out cost basis.

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.

1.9 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.

1.10 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.

The company has only basic financial instruments and has not chosen to designate financial instruments as at fair value through profit or loss.

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.

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

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

1.12 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.

1.13 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.

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.14 Retirement benefits

Defined contribution plans

The company's pension plan for employees is a defined contribution scheme. Consequently the annual instalments charged to the profit and loss account are amounts payable under the terms of the scheme and the company has no potential liability other than for the payment of those instalments.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

1.15 Leases

The company as a lessee - Operating leases

All leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

The company as a lessor - Operating leases

Rental income from assets leased under operating leases is recognised on a straight line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight line basis over the lease term.

1.16 Research and development expenditure

Development expenditure is written off to the profit and loss account as it is incurred.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Management do not consider there to be any critical areas of judgement.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Provisions for bad debt

Provisions for bad debt are based on assumptions regarding the future creditworthiness of existing debtors.

Valuation of investment property

The valuation of the investment property is based on assumptions derived from relevant market data at the year end date. However, this valuation is inherently subjective as it is made on the basis of valuation assumptions which may in future not prove to be accurate. See note 13.

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Turnover and other revenue

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | £ | £ |
| Turnover analysed by class of business | | |
| Sale of equipment | 2,590,644 | 1,831,137 |
| Sale of network, development, engineering, maintenance and other services | 8,878,273 | 8,962,574 |
| | <u>11,468,917</u> | <u>10,793,711</u> |
| | 2023 | 2022 |
| | £ | £ |
| Other revenue | | |
| Interest income | 45,610 | 33,536 |
| Research and development tax credit | 93,984 | 69,688 |
| Property rental | 60,000 | 60,000 |
| | <u>60,000</u> | <u>60,000</u> |

The company's turnover was all derived from its principal activities which were carried out wholly in the United Kingdom.

4 Auditor's remuneration

| | 2023 | 2022 |
|---|---------------|---------------|
| | £ | £ |
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the company | 28,900 | 27,200 |
| | <u>28,900</u> | <u>27,200</u> |
| For other services | | |
| Taxation compliance services | 5,100 | 4,900 |
| | <u>5,100</u> | <u>4,900</u> |

5 Operating profit

| | 2023 | 2022 |
|---|-----------------|-----------------|
| | £ | £ |
| Operating profit for the year is stated after charging/(crediting): | | |
| Exchange (gains)/losses | (1,777) | 3,892 |
| Research and development costs | 722,948 | 622,215 |
| Depreciation of owned tangible fixed assets | 149,802 | 173,036 |
| Fair value gain on investment property | (120,000) | - |
| Amortisation of intangible assets | 172,253 | 148,864 |
| Operating lease charges | 87,500 | 87,500 |
| Operating lease income | (60,000) | (60,000) |
| | <u>(60,000)</u> | <u>(60,000)</u> |

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2023 Number | 2022 Number |
|----------------|----------------|----------------|
| Engineering | 36 | 38 |
| Sales | 20 | 21 |
| Administration | 21 | 18 |
| Total | <u>77</u> | <u>77</u> |

Their aggregate remuneration comprised:

| | 2023 £ | 2022 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 4,322,172 | 4,259,928 |
| Social security costs | 502,312 | 477,033 |
| Pension costs | 226,777 | 215,000 |
| | <u>5,051,261</u> | <u>4,951,961</u> |

7 Directors' remuneration

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Remuneration for qualifying services | 611,552 | 627,354 |
| Company pension contributions to defined contribution schemes | 18,545 | 14,543 |
| | <u>630,097</u> | <u>641,897</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

| | 2023 £ | 2022 £ |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | <u>415,316</u> | <u>494,519</u> |

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Interest receivable and similar income

| | 2023 | 2022 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Interest income | | |
| Interest on bank deposits | 38,215 | 9,333 |
| Other interest income | 7,395 | 24,203 |
| | <u>45,610</u> | <u>33,536</u> |

9 Taxation

| | 2023 | 2022 |
|--|-----------------|---------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax on profits for the current period | 47,784 | 34,707 |
| Adjustments in respect of prior periods | (560) | (2,020) |
| | <u>47,224</u> | <u>32,687</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (19,094) | (13,870) |
| Changes in tax rates | - | 38,337 |
| | <u>(19,094)</u> | <u>24,467</u> |
| Total tax charge | <u>28,130</u> | <u>57,154</u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Profit before taxation | <u>233,424</u> | <u>260,684</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%) | 44,351 | 49,530 |
| Tax effect of expenses that are not deductible in determining taxable profit | 623 | 556 |
| Group relief | - | (18,956) |
| Other permanent differences | (3,461) | 3,461 |
| Under/(over) provided in prior years | (560) | (2,020) |
| Fixed asset differences | 29,071 | (2,012) |
| Research and development under/over provided in prior years | - | 2,128 |
| Adjustment in respect of deferred tax | (19,094) | 24,467 |
| Fair value gain | (22,800) | - |
| | <u>28,130</u> | <u>57,154</u> |

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Dividends

| | 2023 | 2022 | 2023 | 2022 |
|------------|-----------------|-----------------|----------------|----------------|
| | Per share | Per share | Total | Total |
| | £ | £ | £ | £ |
| Ordinary | | | | |
| Final paid | <u>1,000.00</u> | <u>1,000.00</u> | <u>100,000</u> | <u>100,000</u> |

11 Intangible fixed assets

| | Purchased computer software |
|------------------------------------|-----------------------------|
| | £ |
| Cost | |
| At 1 April 2022 | 695,784 |
| Additions | <u>54,000</u> |
| At 31 March 2023 | <u>749,784</u> |
| Amortisation and impairment | |
| At 1 April 2022 | 318,841 |
| Amortisation charged for the year | <u>172,253</u> |
| At 31 March 2023 | <u>491,094</u> |
| Carrying amount | |
| At 31 March 2023 | <u>258,690</u> |
| At 31 March 2022 | <u>376,943</u> |

The amortisation charge for the year is recognised within administration expenses.

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

| | Leasehold improvements | Plant and equipment | Fixtures and fittings | Motor vehicles | Total |
|------------------------------------|------------------------|---------------------|-----------------------|----------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 April 2022 | 296,016 | 1,881,945 | 175,837 | 38,316 | 2,392,114 |
| Additions | - | 38,767 | 9,940 | - | 48,707 |
| Disposals | - | (243,489) | - | - | (243,489) |
| At 31 March 2023 | 296,016 | 1,677,223 | 185,777 | 38,316 | 2,197,332 |
| Depreciation and impairment | | | | | |
| At 1 April 2022 | 296,016 | 1,665,860 | 165,005 | 38,316 | 2,165,197 |
| Depreciation charged in the year | - | 142,800 | 7,002 | - | 149,802 |
| Eliminated in respect of disposals | - | (243,489) | - | - | (243,489) |
| At 31 March 2023 | 296,016 | 1,565,171 | 172,007 | 38,316 | 2,071,510 |
| Carrying amount | | | | | |
| At 31 March 2023 | - | 112,052 | 13,770 | - | 125,822 |
| At 31 March 2022 | - | 216,085 | 10,832 | - | 226,917 |

The depreciation charge for the year is recognised within administration expenses.

13 Investment property

| | 2023 |
|--|---------|
| | £ |
| Fair value | |
| At 1 April 2022 | 845,000 |
| Net gains or losses through fair value adjustments | 120,000 |
| At 31 March 2023 | 965,000 |

Investment property comprises freehold buildings. The fair value of the investment property has been arrived at by the directors having regard to informal valuation advice provided by a third party commercial property expert on an open market value basis. The valuation was determined by reference to rental yields.

The last valuation of the company's investment property was formally valued at 4 May 2023 by APH Consultancy, Chartered Surveyors, on a fair value basis, in accordance with the statement of Assets Valuation Practice No. 4 and the guidance notes of the Royal Institution of Chartered Surveyors.

The historical cost of investment property is £752,400 (2022: £752,400).

14 Stocks

| | 2023 | 2022 |
|-----------------|---------|--------|
| | £ | £ |
| Component stock | 110,083 | 49,711 |

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Debtors

| | 2023 | 2022 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 1,073,864 | 1,224,551 |
| Corporation tax recoverable | 46,200 | 71,485 |
| Amounts owed by group undertakings | 873,473 | 742,381 |
| Other debtors | 1,650 | 1,650 |
| Prepayments and accrued income | 791,008 | 821,732 |
| | <u>2,786,195</u> | <u>2,861,799</u> |

16 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 408,964 | 397,016 |
| Taxation and social security | 543,769 | 404,508 |
| Other creditors | 659,382 | 444,177 |
| Accruals and deferred income | 763,464 | 1,002,927 |
| | <u>2,375,579</u> | <u>2,248,628</u> |

17 Creditors: amounts falling due after more than one year

| | 2023 | 2022 |
|-----------------|----------|---------------|
| | £ | £ |
| Other creditors | - | 75,525 |
| | <u>-</u> | <u>75,525</u> |

18 Deferred taxation

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

| | Liabilities 2023 | Liabilities 2022 |
|--------------------------------|---------------------|---------------------|
| | £ | £ |
| Balances: | | |
| Accelerated capital allowances | 73,624 | 122,718 |
| Revaluations | 53,150 | 23,150 |
| | <u>126,774</u> | <u>145,868</u> |

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Deferred taxation (Continued)

| | 2023 |
|---------------------------|----------|
| Movements in the year: | £ |
| Liability at 1 April 2022 | 145,868 |
| Credit to profit or loss | (19,094) |
| | 126,774 |
| | 126,774 |

The deferred tax liability is expected to reverse after 12 months and relates to accelerated capital allowances and revaluations of investment properties that are expected to mature within the same period.

19 Retirement benefit schemes

| | 2023 | 2022 |
|---|---------|---------|
| Defined contribution schemes | £ | £ |
| Charge to profit or loss in respect of defined contribution schemes | 226,777 | 215,000 |
| | 226,777 | 215,000 |
| | 226,777 | 215,000 |

The company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the company in an independently administered fund. At the year end there were outstanding contributions of £Nil (2022: £32,742).

20 Share capital

| | 2023 | 2022 | 2023 | 2022 |
|--|--------|--------|------|------|
| Ordinary share capital issued and fully paid | Number | Number | £ | £ |
| Ordinary of £1 each | 100 | 100 | 100 | 100 |
| | 100 | 100 | 100 | 100 |
| | 100 | 100 | 100 | 100 |

Ordinary share rights

The company's ordinary shares carry full dividend, voting and distribution rights.

Reserves

Reserves of the company represent the following:

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Included within the profit and loss accounts is a surplus of £212,600 (2022: surplus £92,600) arising on the movement in the value of the investment property.

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases for plant and machinery and land and buildings as follows:

| | 2023 £ | 2022 £ |
|----------------------------|---------------|----------------|
| Within one year | 58,333 | 87,500 |
| Between two and five years | - | 58,333 |
| | <u>58,333</u> | <u>145,833</u> |

Lessor

At the reporting end date the company had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

| | 2023 £ | 2022 £ |
|----------------------------|---------------|---------------|
| Within one year | 15,000 | 60,000 |
| Between two and five years | - | 15,000 |
| | <u>15,000</u> | <u>75,000</u> |

The operating lease represents the lease of the company's investment property to a third party.

22 Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and have not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

During the year, Britannic Technologies Limited made sales of £1,754,349 (2022: £1,231,575) in the ordinary course of its business to Trailfinders Group, which owns 48.75% of the shares in Britannic Group (Holdings) Limited. At the year end, the amount owing by Trailfinders Group was £7,127 (2022: £27,299).

During the year, Britannic Technologies Limited made sales of £11,407 (2022: £12,419) in the ordinary course of its business with William Heath & Co, which owns 1.25% of the shares in Britannic Group (Holdings) Limited. At the year end, the amount owing by William Heath & Co was £Nil (2022: £540).

During the year, Britannic Technologies Limited incurred property rental expenses of £87,500 (2022: £87,500), in the ordinary course of its business with Mr R L Dendle's pension scheme. Mr R L Dendle is a director of the company. £Nil (2022 - £50,000) was owing to Mr R L Dendle at year end.

All transactions are considered to be at market value.

BRITANNIC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Ultimate controlling party

The company's ultimate parent company is Britannic Group (Holdings) Limited, a company registered in England and Wales. It is the holding company of the smallest and largest group of which the company is a member and for which group accounts are prepared. Copies of these group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

As detailed above the company is a subsidiary of Britannic Group (Holdings) Limited, this company is collectively controlled by its shareholders with no one individual having overall control.