

COMPLETE I.T. LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



COMPLETE I.T. LIMITED

COMPANY INFORMATION

Directors

C D J Blumenthal
A S Whatford
D C Cooper (Appointed 31 July 2019)
S R Sykes (Appointed 31 July 2019)
T W Davies (Resigned 31 July 2019)
D M Sherratt (Resigned 31 July 2019)

Company number

02761451

Registered office

Oakingham House Frederick Place
London Road
High Wycombe
Bucks
England
HP11 1JU

Auditor

Wilkins Kennedy Audit Services
Anglo House
Bell Lane Office Village
Bell Lane
Amersham
Buckinghamshire
HP6 6FA

COMPLETE I.T. LIMITED

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COMPLETE I.T. LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their strategic report and the audited financial statements for the year ended 31 March 2020.

The Group provides a complete range of outsourced IT support and cloud services primarily to the SME sector through a network of offices within the UK.

Strategy and Objectives

The long term strategy of the Group is to become the leading national provider of local IT support services. Management is looking to achieve this through a combination of both cross-selling our IT Services to the clients of our sister company Sharp Business Systems UK Plc and continuing to win other new clients. The Group's quality driven approach and broad services offering presents an opportunity to drive additional spend per client over the short to medium term.

Complete I.T.'s strategy is underpinned by a comprehensive business plan, which is developed collaboratively between the Board, management and its employees.

Review of the business

During the period under review the business was sold on 31st July 2019 to Sharp Electronics (Europe) Limited. Alongside the beginning of the integration and cross-selling of our services with Sharp, the Group continued to grow top line revenues, 19% year on year, and it is expecting continued growth into 2020/2021.

During the year the group also benefited from the full-year effect of the Quorum acquisition made in the prior financial year and integrating it with the previously made AMA acquisition, and in-turn completing the integration of both of these two businesses into the overall Group.

The increased revenue has correlated to an increase in profits, with operating profit increasing 8% since the previous financial year. Subsequent to the year end, management has reviewed the Group's operating model, and as such, is expecting to make further operating profit improvements in future years.

With people at the core of the business, Complete I.T. has maintained a strong focus on training and retaining its employees. In addition, Complete I.T. has continued to invest in its future, with an array of new service offerings released over the course of the year and beyond, including the launch of Sharp's Managed Print Services and the completion of our successful first full year of our Hosted Complete Telephony solution.

At 31 March 2020, the group had cash reserves of £364,465. The Board is satisfied that the strong working capital profile of the business will enable the business to continue to go from strength-to-strength.

Key performance indicators

The Board and management team monitor financial and operational KPI's in real time. This includes but is not limited to, the following:

| | 31 March 2018 | 31 March 2019 | 31 March 2020 |
|---|---------------|---------------|---------------|
| Number of Clients with support Agreements | 624 | 779 | 790 |
| Recurring revenue | 68% | 67% | 69% |
| Revenue per head | £101,254 | £115,571 | £121,761 |
| Client retention | 95% | 97% | 95% |

COMPLETE I.T. LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties

The Group recognises the need to maintain a position of technical leadership and an up to date and evolving product and service delivery platform in order to protect its business model. Complete I.T. continues to ensure that it is neither reliant on any individual clients, nor specific market sectors and therefore remains a broad and well-balanced business, set for exciting future growth as part of the Sharp Group.

Despite external macro factors such as Brexit and COVID-19 our business remains resilient and relatively un-affected and with the impact of the latter causing a change in our working patterns, we are well placed to maximise revenue opportunities that this shift may well give to us

On behalf of the board



.....
C D J Blumenthal
Director

20 August 2020

COMPLETE I.T. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the group and company continued to be that of providing a complete range of outsourced IT support and cloud services primarily to the SME sector through a network of offices within the UK.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £806,783 (2019: £670,001). The directors do not recommend payment of a final dividend for the year (2019: £nil).

No preference dividends were paid (2019: £nil). The directors do not recommend payment of a final dividend (2019: £nil).

Directors

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

C D J Blumenthal

A S Whatford

D C Cooper

(Appointed 31 July 2019)

S R Sykes

(Appointed 31 July 2019)

T W Davies

(Resigned 31 July 2019)

D M Sherratt

(Resigned 31 July 2019)

Employee Involvement

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining its performance. The Company encourages the involvement of employees by means of in-house newsletters, intranet, briefing & focus groups and the distribution of the Company's annual results.

Disabled Employees

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Political Contributions

The Company made no political donations nor incurred any political expenditure during the year (2019: £nil).

Auditor

The auditor, Wilkins Kennedy Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

COMPLETE I.T. LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board



C D J Blumenthal
Director

20 August 2020

COMPLETE I.T. LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMPLETE I.T. LIMITED

Opinion

We have audited the financial statements of Complete I.T. Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated income statement, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

COMPLETE I.T. LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF COMPLETE I.T. LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

COMPLETE I.T. LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF COMPLETE I.T. LIMITED

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.

Wilkins Kennedy Audit Services

David Green MA (Cantab) ACA (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

20 August 2020

Statutory Auditor

Anglo House
Bell Lane Office Village
Bell Lane
Amersham
Buckinghamshire
HP6 6FA

COMPLETE I.T. LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | 2020 £ | 2019 £ |
|---|-------|-------------------|-------------------|
| Revenue | 4 | 20,699,346 | 17,451,218 |
| Cost of sales | | (8,313,520) | (7,218,842) |
| Gross profit | | 12,385,826 | 10,232,376 |
| Administrative expenses | | (10,669,100) | (8,636,735) |
| Operating profit | 5 | 1,716,726 | 1,595,641 |
| Finance costs | 8 | (65,374) | (14,285) |
| Profit before taxation | | 1,651,352 | 1,581,356 |
| Income tax expense | 9 | (217,543) | (309,908) |
| Profit and total comprehensive income for the year | | 1,433,809 | 1,271,448 |

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

The accompanying notes on pages 14 to 38 are an integral part of the financial statements.

COMPLETE I.T. LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

| | Notes | Company £ | 2020 Group £ | Company £ | 2019 Group £ |
|--------------------------------|-------|------------------|--------------------|------------------|--------------------|
| Non-current assets | | | | | |
| Goodwill | 12 | - | 1,381,537 | - | 1,381,537 |
| Intangible assets | 12 | - | 77,591 | - | 68,859 |
| Property, plant and equipment | 13 | 237,115 | 265,189 | 306,010 | 350,700 |
| Right-of-use assets | 14 | 1,258,039 | 1,258,039 | - | - |
| Investments | 15 | 1,067,377 | - | 1,067,380 | - |
| | | <u>2,562,531</u> | <u>2,982,356</u> | <u>1,373,390</u> | <u>1,801,096</u> |
| Current assets | | | | | |
| Inventories | 17 | - | 9,636 | - | 9,636 |
| Trade and other receivables | 18 | 3,875,292 | 3,651,622 | 2,221,061 | 2,467,395 |
| Current tax recoverable | | 47,123 | 25,479 | - | - |
| Cash and cash equivalents | | <u>340,773</u> | <u>364,465</u> | <u>193,791</u> | <u>320,780</u> |
| | | <u>4,263,188</u> | <u>4,051,202</u> | <u>2,414,852</u> | <u>2,797,811</u> |
| Current liabilities | | | | | |
| Trade and other payables | 23 | 4,377,203 | 4,031,488 | 2,359,125 | 2,844,939 |
| Current tax liabilities | | - | - | 122,519 | 179,950 |
| Borrowings | 19 | - | - | 132,647 | 132,647 |
| Right-of-use liabilities | 24 | 282,004 | 282,004 | - | - |
| Finance lease liabilities | 20 | - | - | 19,745 | 19,745 |
| | | <u>4,659,207</u> | <u>4,313,492</u> | <u>2,634,036</u> | <u>3,177,281</u> |
| Net current liabilities | | <u>(396,019)</u> | <u>(262,290)</u> | <u>(219,184)</u> | <u>(379,470)</u> |
| Non-current liabilities | | | | | |
| Borrowings | 19 | - | - | 240,290 | 240,290 |
| Right-of-use liabilities | 23 | 1,008,065 | 1,008,065 | - | - |
| Lease liabilities | 20 | - | - | 90,980 | 90,980 |
| Deferred tax liabilities | 25 | 25,151 | 32,473 | 30,532 | 37,854 |
| | | <u>1,033,216</u> | <u>1,040,538</u> | <u>361,802</u> | <u>369,124</u> |
| Net assets | | <u>1,133,296</u> | <u>1,679,528</u> | <u>792,404</u> | <u>1,052,502</u> |

COMPLETE I.T. LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2020

| | | Company | 2020 Group | Company | 2019 Group |
|----------------------------|-------|------------------|------------------|----------------|------------------|
| | Notes | £ | £ | £ | £ |
| Equity | | | | | |
| Called up share capital | 27 | 947 | 947 | 947 | 947 |
| Share premium account | 28 | 136,688 | 136,688 | 136,688 | 136,688 |
| Capital redemption reserve | 29 | 765 | 765 | 765 | 765 |
| Retained earnings | | 994,896 | 1,541,128 | 654,004 | 914,102 |
| Total equity | | <u>1,133,296</u> | <u>1,679,528</u> | <u>792,404</u> | <u>1,052,502</u> |

The financial statements were approved by the board of directors and authorised for issue on 20 August 2020 and are signed on its behalf by:



.....
C D J Blumenthal
Director

Company Registration No. 2761451

The accompanying notes on pages 14 to 38 are an integral part of the financial statements.

COMPLETE I.T. LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

| Group | Notes | Share capital £ | Share premium account £ | Capital redemption reserve £ | Retained earnings £ | Total £ |
|--|-------|--------------------|----------------------------|---------------------------------|------------------------|------------|
| Balance at 1 April 2018 | | 947 | 136,688 | 765 | 212,655 | 351,055 |
| Year ended 31 March 2019 (as restated): | | | | | | |
| Profit and total comprehensive income for the year | 34 | - | - | - | 1,271,448 | 1,271,448 |
| Dividends | 10 | - | - | - | (570,001) | (570,001) |
| Balance at 31 March 2019 | | 947 | 136,688 | 765 | 914,102 | 1,052,502 |
| Year ended 31 March 2020: | | | | | | |
| Profit and total comprehensive income for the year | | - | - | - | 1,433,809 | 1,433,809 |
| Dividends | 10 | - | - | - | (806,783) | (806,783) |
| Balance at 31 March 2020 | | 947 | 136,688 | 765 | 1,541,128 | 1,679,528 |

| Company | Notes | Share capital £ | Share premium account £ | Capital redemption reserve £ | Retained earnings £ | Total £ |
|--|-------|--------------------|----------------------------|---------------------------------|------------------------|------------|
| Balance at 1 April 2018 | | 947 | 136,688 | 765 | 259,795 | 398,195 |
| Year ended 31 March 2019 (as restated): | | | | | | |
| Profit and total comprehensive income for the year | | - | - | - | 964,210 | 964,210 |
| Dividends | 10 | - | - | - | (570,001) | (570,001) |
| Balance at 31 March 2019 | | 947 | 136,688 | 765 | 654,004 | 792,404 |
| Year ended 31 March 2020: | | | | | | |
| Profit and total comprehensive income for the year | | - | - | - | 1,147,675 | 1,147,675 |
| Dividends | 10 | - | - | - | (806,783) | (806,783) |
| Balance at 31 March 2020 | | 947 | 136,688 | 765 | 994,896 | 1,133,296 |

The accompanying notes on pages 14 to 38 are an integral part of the financial statements.

COMPLETE I.T. LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | 2020 Group £ | 2019 Group £ |
|---|-------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 33 | 2,155,864 | 1,678,603 |
| Interest paid | | (65,374) | (14,285) |
| Tax paid | | (406,446) | (293,753) |
| Net cash inflow from operating activities | | <u>1,684,044</u> | <u>1,370,565</u> |
| Investing activities | | | |
| Purchase of intangible assets | | (8,000) | (675,000) |
| Purchase of property, plant and equipment | | (69,238) | (277,394) |
| Proceeds on disposal of property, plant and equipment | | <u>8,140</u> | <u>7,480</u> |
| Net cash used in investing activities | | (69,098) | (944,914) |
| Financing activities | | | |
| Repayment of bank loans | | (372,937) | 163,392 |
| Payment of lease liabilities | | (110,725) | 110,726 |
| Payment of right-of-use assets – capital element | | (280,816) | - |
| Dividends paid | | <u>(806,783)</u> | <u>(570,001)</u> |
| Net cash used in financing activities | | <u>(1,571,261)</u> | <u>(295,883)</u> |
| Net increase in cash and cash equivalents | | 43,685 | 129,768 |
| Cash and cash equivalents at beginning of year | | <u>320,780</u> | <u>191,012</u> |
| Cash and cash equivalents at end of year | | <u>364,465</u> | <u>320,780</u> |

The accompanying notes on pages 14 to 38 are an integral part of the financial statements.

COMPLETE I.T. LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

| Notes | 2020 | | 2019 | |
|---|--------------|--------------|--------------|--------------|
| | Company £ | Company £ | Company £ | Company £ |
| Cash flows from operating activities | | | | |
| Cash generated from operations | | 2,082,375 | | 834,232 |
| Interest paid | | (65,374) | | (14,285) |
| Tax paid | | (237,660) | | (228,830) |
| Net cash inflow from operating activities | | 1,779,341 | | 591,117 |
| Investing activities | | | | |
| Purchase of property, plant and equipment | (69,238) | | (240,953) | |
| Proceeds on disposal of property, plant and equipment | 8,140 | | 7,480 | |
| Net cash used in investing activities | | (61,098) | | (233,473) |
| Financing activities | | | | |
| Repayment of bank loans | (372,937) | | 163,392 | |
| Payment of lease liabilities | (110,725) | | 110,726 | |
| Payment of right-of-use assets – capital | (280,816) | | - | |
| Dividends paid | (806,783) | | (570,001) | |
| Net cash used in financing activities | | (1,571,261) | | (295,883) |
| Net increase in cash and cash equivalents | | 146,982 | | 61,761 |
| Cash and cash equivalents at beginning of year | | 193,791 | | 132,030 |
| Cash and cash equivalents at end of year | | 340,773 | | 193,791 |

The accompanying notes on pages 14 to 38 are an integral part of the financial statements.

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Complete I.T. Limited is a private company limited by shares incorporated in England and Wales. The registered office is Oakingham House Frederick Place, London Road, High Wycombe, Bucks, England, HP11 1JU. The group's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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, except for the revaluation of goodwill amortisation. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2020 are the first financial statements of Complete I.T. Limited prepared in accordance with IFRS. The company transitioned from FRS 102 to IFRS for all periods presented and the date of transition to IFRS was 1 April 2018.

An explanation of the effects on transition are found in note 34.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer. Revenue is shown exclusive of VAT.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

The company recognises revenue from the following major sources:

- Provision of IT support services
- Supplementary support services
- Resale of hardware and software goods

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (continued)

1.4 Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

The gain on a bargain purchase is recognised in profit or loss in the period of the acquisition.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is subsequently reversed, if and only if, the reasons for the impairment loss have ceased to apply.

1.5 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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:

- Customers lists – 10 years straight line

1.6 Property, plant and equipment

Property, plant and equipment 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:

| | |
|------------------------------|--|
| Leasehold land and buildings | Straight Line over the term of the lease |
| Plant and equipment | 15% Straight Line |
| Computers | Straight Line over 2-7 years |
| Motor vehicles | 25% Straight Line |
| ROU asset - vehicles | Straight Line over the term of the lease |
| ROU asset - properties | Straight Line over the term of the lease |

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 recognised in the income statement.

1.7 Impairment of tangible and intangible assets

At each reporting 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.

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

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 Inventories

Inventories 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 inventories to their present location and condition.

Inventories 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.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents 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 assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (continued)

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The company has made an irrevocable election to recognise changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognised initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to retained earnings when equity instrument is derecognised or its fair value substantially decreased. Dividends are recognised as finance income in profit or loss.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or 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 of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.11 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.12 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.

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

1.14 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 income statement 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.

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary 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 income statement, 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.

1.15 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 inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.16 Retirement benefits

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

1.17 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (continued)

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.18 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 in the period are included in profit or loss.

2 Adoption of new and revised standards and changes in accounting policies

From 1 April 2019, the group has applied IFRS 16, which has resulted in the recognition of Right-of-use assets and associated liability. Full disclosure of the impact of these changes on the Group's financial statements is given in note 24.

3 Critical accounting estimates and judgements

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Critical judgements

Impairment of goodwill: Goodwill is not amortised and is instead assessed for impairment on an annual basis. No impairment was required during the financial year and there was a transitional note required for the prior year (see note 34).

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Revenue

| | 2020 £ | 2019 £ |
|--|-------------------|-------------------|
| Revenue analysed by class of business | | |
| IT Support Services Sales | 8,768,166 | 7,607,235 |
| ERP Sales | 739,047 | 745,515 |
| HW/SW Sales | 8,627,936 | 7,241,298 |
| General Sales | 2,564,197 | 1,857,170 |
| | <u>20,699,346</u> | <u>17,451,218</u> |

All revenue has been generated in the UK

5 Operating profit

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting): | | |
| Fees payable to the company's auditor for the audit of the company's financial statements | 12,360 | 9,975 |
| Fees payable to the company's auditor for non-audit services | 15,940 | 12,994 |
| Depreciation of property, plant and equipment | 145,325 | 118,751 |
| Depreciation on right-of-use assets (note 24) | 292,480 | - |
| Loss/(profit) on disposal of property, plant and equipment | 1,285 | (5,504) |
| Profit on disposal of investment property | (1,544) | - |
| Amortisation of customer lists | (732) | 17,581 |
| | <u></u> | <u></u> |

6 Employees

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

| | 2020 Number | 2019 Number |
|---------|----------------|----------------|
| Sales | 17 | 14 |
| Service | 133 | 120 |
| Admin | 20 | 17 |
| Total | <u>170</u> | <u>151</u> |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6 Employees

Their aggregate remuneration comprised:

| | 2020 £ | 2019 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 7,315,117 | 5,566,416 |
| Social security costs | 827,112 | 617,469 |
| Pension costs | 138,139 | 91,467 |
| | <u>8,280,368</u> | <u>6,275,352</u> |

7 Directors' remuneration

| | 2020 £ | 2019 £ |
|---|----------------|----------------|
| Remuneration for qualifying services | 336,187 | 154,193 |
| Company pension contributions to defined contribution schemes | 5,214 | 7,927 |
| | <u>341,401</u> | <u>162,120</u> |

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

| | | |
|---|---------|--------|
| Remuneration for qualifying services | 193,114 | 90,056 |
| Company pension contributions to defined contribution schemes | 1,316 | 806 |

8 Finance costs

| | 2020 £ | 2019 £ |
|---------------------------------|---------------|---------------|
| Interest on lease liabilities | 19,325 | 2,938 |
| Interest on right-of-use assets | 40,983 | - |
| Other interest payable | 5,066 | 11,347 |
| Total interest expense | <u>65,374</u> | <u>14,285</u> |

9 Income tax expense

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Current tax | | |
| UK corporation tax on profits for the current period | <u>222,924</u> | <u>287,142</u> |
| Deferred tax | | |
| Origination and reversal of temporary differences | <u>(5,381)</u> | <u>22,766</u> |
| Total tax charge | <u>217,543</u> | <u>309,908</u> |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Income tax expense

The charge for the year can be reconciled to the profit per the Income statement as follows:

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Profit before taxation | 1,651,352 | 1,372,549 |
| Expected tax charge based on a corporation tax rate of 19% (2019: 19%) | 313,755 | 260,784 |
| Effect of expenses not deductible in determining taxable profit: | | |
| Group relief | (112,898) | - |
| Expenses not deductible for tax purposes | 10,923 | 60,126 |
| Capital allowances in excess of depreciation | 11,144 | (33,768) |
| Taxation charge for the year | 222,924 | 287,142 |

| 10 Dividends | 2020 per share | 2019 per share | 2020 £ | 2019 £ |
|--|-------------------|-------------------|-----------|-----------|
| Amounts recognised as distributions to equity holders: | | | | |
| Interim dividend paid | 8.52 | 6.02 | 806,783 | 570,001 |

11 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's income statement has not been included in these financial statements. The profit for the year is made up as follows:

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Holding company's profit after tax for the year | 1,147,675 | 964,210 |

12 Intangible assets

| Group | Goodwill £ | Customer lists £ | Total £ |
|-----------------------|---------------|---------------------|------------|
| Cost | | | |
| At 1 April 2018 | 706,537 | 87,905 | 794,442 |
| Additions | 675,000 | - | 675,000 |
| At 31 March 2019 | 1,381,537 | 87,905 | 1,469,442 |
| Additions - purchased | - | 8,000 | 8,000 |
| At 31 March 2020 | 1,381,537 | 95,905 | 1,477,442 |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Intangible assets

| | Goodwill £ | Customer lists £ | Total £ |
|------------------------------------|---------------|---------------------|------------|
| Amortisation and impairment | | | |
| At 1 April 2018 | - | 1,465 | 1,465 |
| Charge for the year | - | 17,581 | 17,581 |
| At 31 March 2019 | - | 19,046 | 19,046 |
| Charge for the year | - | (732) | (732) |
| At 31 March 2020 | - | 18,314 | 18,314 |
| Carrying amount | | | |
| At 31 March 2020 | 1,381,537 | 77,591 | 1,459,128 |
| At 31 March 2019 | 1,381,537 | 68,859 | 1,450,396 |
| At 31 March 2018 | 706,537 | 86,440 | 792,977 |

In previous years goodwill was amortised over 10 years but on transition to IFRS goodwill is now not amortised but instead reviewed for impairment on an annual basis. As a result there was a transition adjustment in the current year with the reversal of the previously amortised goodwill (see note 34).

Company

There are no Intangible fixed assets for the company in the current or prior years.

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Property, plant and equipment Group

| | Leasehold land and buildings | Plant and equipment | Computers | Motor vehicles | Total |
|--|---------------------------------|------------------------|-----------|----------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 April 2018 | 111,522 | 214,085 | 742,116 | 27,200 | 1,094,923 |
| Additions | - | 184,127 | 79,567 | 13,700 | 277,394 |
| Disposals | - | - | - | (17,200) | (17,200) |
| At 31 March 2019 | 111,522 | 398,212 | 821,683 | 23,700 | 1,355,117 |
| Additions | 5,877 | 1,136 | 62,225 | - | 69,238 |
| Disposals | - | - | - | (23,700) | (23,700) |
| At 31 March 2020 | 117,399 | 399,348 | 883,908 | - | 1,400,655 |
| Accumulated depreciation and impairment | | | | | |
| At 1 April 2018 | 106,893 | 158,544 | 613,883 | 21,570 | 900,890 |
| Charge for the year | 2,004 | 31,050 | 79,417 | 6,280 | 118,751 |
| Eliminated on disposal | - | - | - | (15,224) | (15,224) |
| At 31 March 2019 | 108,897 | 189,594 | 693,300 | 12,626 | 1,004,417 |
| Charge for the year | 2,263 | 58,833 | 82,579 | 1,649 | 145,324 |
| Eliminated on disposal | - | - | - | (14,275) | (14,275) |
| At 31 March 2020 | 111,160 | 248,427 | 775,879 | - | 1,135,466 |
| Carrying amount | | | | | |
| At 31 March 2020 | 6,239 | 150,921 | 108,029 | - | 265,189 |
| At 31 March 2019 | 2,625 | 208,618 | 128,383 | 11,074 | 350,700 |
| At 31 March 2018 | 4,629 | 55,541 | 128,233 | 5,630 | 194,033 |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Property, plant and equipment Company

| | Leasehold land and buildings | Plant and equipment | Computers | Motor vehicles | Total |
|--|------------------------------------|------------------------|-----------|----------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 April 2018 | 111,522 | 126,853 | 742,116 | 27,200 | 1,007,691 |
| Additions | - | 147,686 | 79,567 | 13,700 | 240,953 |
| Disposals | - | - | - | (17,200) | (17,200) |
| At 31 March 2019 | 111,522 | 274,539 | 821,683 | 23,700 | 1,231,444 |
| Additions | 5,877 | 1,136 | 62,225 | - | 69,238 |
| Disposals | - | - | - | (23,700) | (23,700) |
| At 31 March 2020 | 117,399 | 275,675 | 883,908 | - | 1,276,982 |
| Accumulated depreciation and impairment | | | | | |
| At 1 April 2018 | 106,893 | 86,386 | 613,883 | 21,570 | 828,732 |
| Charge for the year | 2,004 | 24,225 | 79,417 | 6,280 | 111,926 |
| Eliminated on disposal | - | - | - | (15,224) | (15,224) |
| At 31 March 2019 | 108,897 | 110,611 | 693,300 | 12,626 | 925,434 |
| Charge for the year | 2,263 | 42,217 | 82,579 | 1,649 | 128,708 |
| Eliminated on disposal | - | - | - | (14,275) | (14,275) |
| At 31 March 2020 | 111,160 | 152,828 | 775,879 | - | 1,039,867 |
| Carrying amount | | | | | |
| At 31 March 2020 | 6,239 | 122,847 | 108,029 | - | 237,115 |
| At 31 March 2019 | 2,625 | 163,928 | 128,383 | 11,074 | 306,010 |
| At 31 March 2018 | 4,629 | 40,467 | 128,233 | 5,630 | 178,959 |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Right-of-use assets Group and company

| | ROU asset - vehicles | ROU asset - properties | Total |
|--|-------------------------|---------------------------|------------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2019 | 129,598 | 1,113,757 | 1,243,355 |
| Additions | 307,165 | - | 307,165 |
| At 31 March 2020 | <u>436,763</u> | <u>1,113,757</u> | <u>1,550,520</u> |
| Accumulated depreciation and impairment | | | |
| At 1 April 2019 | - | - | - |
| Charge for the year | 151,892 | 140,589 | 292,481 |
| At 31 March 2020 | <u>151,892</u> | <u>140,589</u> | <u>292,481</u> |
| Carrying amount | | | |
| At 31 March 2020 | <u>284,871</u> | <u>973,168</u> | <u>1,258,039</u> |
| At 1 April 2019 | <u>129,598</u> | <u>1,113,757</u> | <u>1,243,355</u> |

15 Investments

| | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|-----------------------------|--------------------|-----------|----------------------|------------------|
| Investments in subsidiaries | <u>-</u> | <u>-</u> | <u>1,067,377</u> | <u>1,067,380</u> |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

| Name of undertaking | Registered office | Shares held | |
|------------------------------|-------------------|-------------|-----|
| | | Class | % |
| AMA Business Systems Limited | UK | Ordinary | 100 |
| Quorum Business Systems | UK | Ordinary | 100 |

AMA Business Systems Limited - Audit Exemption

The directors have taken advantage of exemption available under section 479A of the Companies Act 2006 and have not had the financial statements of AMA Business Systems Ltd for the period ended 31 March 2020 audited. AMA Business Systems Ltd is a 100% subsidiary of the company, registered in the United Kingdom with company number 02102600 and registered office Oakingham House, Frederick Place, London Road, High Wycombe, Bucks, HP11 1JU.

Quorum Business Systems Ltd - Audit Exemption

The directors have taken advantage of exemption available under section 479A of the Companies Act 2006 and have not had the financial statements of Quorum Business Systems Ltd for the period ended 31 March 2020 audited. Quorum Business Systems Ltd is a 100% subsidiary of the company, registered in the United Kingdom with company number 08700596 and registered office Oakingham House, Frederick Place, London Road, High Wycombe, Bucks, HP11 1JU.

As at 31 March 2019 Complete I.T. Limited owned 100% of Complete Cloud Ltd which had an investment cost per the accounts of £3. During the current year this company was dissolved.

17 Inventories

| Group | 2020 £ | 2019 £ |
|----------------|--------------|--------------|
| Finished goods | <u>9,636</u> | <u>9,636</u> |

Finished goods recognised as cost of sales in the year amounted to £3,508,416 (2019: £3,504,716). There was no write-down of inventories in the year (2019: £nil).

| Company | £ | £ |
|----------------|----------|----------|
| Finished goods | <u>-</u> | <u>-</u> |

18 Trade and other receivables

| Group | 2020 £ | 2019 £ |
|-------------------|------------------|------------------|
| Trade receivables | 2,902,590 | 1,960,267 |
| Other receivables | 29,390 | 153,982 |
| Prepayments | <u>719,642</u> | <u>353,146</u> |
| | <u>3,651,622</u> | <u>2,467,395</u> |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

18 Trade and other receivables Company

| | 2020 £ | 2019 £ |
|-------------------|------------------|------------------|
| Trade receivables | 2,625,501 | 1,500,048 |
| Other receivables | 530,150 | 425,970 |
| Prepayments | 719,641 | 295,043 |
| | <u>3,875,292</u> | <u>2,221,061</u> |

Fair value of trade receivables

At 31 March 2020, the ageing analysis of trade receivables for the group is as follows:

| | Total £ | Overdue but not impaired <3 months £ | >3 months £ |
|------|------------------|--|----------------|
| 2020 | <u>1,254,791</u> | <u>1,075,537</u> | <u>179,254</u> |
| 2019 | <u>997,380</u> | <u>828,739</u> | <u>168,641</u> |

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair

No significant receivable balances are impaired at the reporting end date.

19 Borrowings

Group and Company

| | 2020 £ | 2019 £ |
|--------------------------------------|-----------|----------------|
| Secured borrowings at amortised cost | | |
| Bank loans | <u>-</u> | <u>372,937</u> |

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

| | 2020 £ | 2019 £ |
|--------------------------|-----------|----------------|
| Current liabilities | <u>-</u> | <u>132,647</u> |
| Non-current liabilities: | | |
| 1-2 years | <u>-</u> | <u>137,572</u> |
| 2-5 years | <u>-</u> | <u>102,718</u> |
| | <u>-</u> | <u>240,290</u> |
| Total liabilities | <u>-</u> | <u>372,937</u> |

The bank loans had an average effective interest rate of 3.5% per annum and were secured by fixed and floating charges over all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, plant and machinery.

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

20 Finance leases

| Group and company | 2020 | 2019 |
|--------------------------|----------|----------------|
| | £ | £ |
| Current liabilities | - | 19,745 |
| Non-current liabilities: | | |
| 1-2 years | - | 22,359 |
| 2-5 years | - | 68,621 |
| | | <u>90,980</u> |
| Total liabilities | <u>-</u> | <u>110,725</u> |

The finance leases were secured against the assets to which they related.

21 Financial risk manageable objectives and policies

a) Interest rate risk

The group has no exposure to the risk of changes in market interest rates as there are no external borrowings outside the wider group at the end of the current year.

b) Foreign currency risk

The group has minimal exposure to foreign currency risk as all of its revenue is from the UK and there are minimal foreign exchange transactions in the year.

c) Credit risk

The group is exposed to credit risk to the extent of non-payment by either its customers or the counterparties of its financial instruments.

The group trades on credit terms only with recognised and creditworthy third parties. If the wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Receivable balances are monitored on an ongoing basis and there is no significant concentration of credit risk within the group. The group's exposure to bad debts is also not significant as the group's trade receivables relate to diversified debtors.

Since the group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the group's other financial assets, which comprise deposits and other receivables, amounts due from group companies, bank balances and pledged time deposits, arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments.

d) Liquidity risk

The group has no exposure to the risk of changes in market interest rates as there are no external borrowings outside the wider group at the end of the current year.

The group's policy is to hold financial instruments and financial assets (eg. Trade receivables) and maintain undrawn committed facilities at a level sufficient to ensure that the group has available funds to meet its medium-term capital and funding obligations and to meet any unforeseen obligations and opportunities. The group holds cash and short-term investments which, together with the undrawn committed facilities and group borrowings, enable the group to manage its liquidity risk.

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Capital Management

The group aims to manage its overall capital to ensure that it continues to operate as a going concern and maintains sufficient financial flexibility to undertake planned investments, whilst providing adequate return to shareholders.

The group's capital structure is reviewed on a quarterly basis to ensure that an appropriate level of gearing is being used.

The group calculates its gearing ratio as borrowings, including current and non-current borrowings, divided by total capital as represented by borrowings less cash and cash equivalents.

22 Financial instruments

Group

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:

| | Loan and receivables | Financial liabilities at amortised costs | 2020 Total |
|---|-------------------------|---|------------------|
| | £ | £ | £ |
| Financial assets | | | |
| Trade receivables | 2,902,590 | - | 2,902,590 |
| Other receivables | 749,032 | - | 749,032 |
| Cash and cash equivalents | 364,465 | - | 364,465 |
| Total financial assets | <u>4,016,087</u> | <u>-</u> | <u>4,016,087</u> |
| Financial liabilities | | | |
| Trade payables, other payables and accruals-current | - | 2,933,574 | 2,933,574 |
| Payable to fellow group companies | - | 1,097,914 | 1,097,914 |
| Total financial liabilities | <u>-</u> | <u>4,031,488</u> | <u>4,031,488</u> |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

The carrying amounts of each of the categories of financial instruments as at last year's balance sheet date are as follows:

| | Loan and receivables | Financial liabilities at amortised costs | 2019 Total |
|---|-------------------------|---|------------------|
| | £ | £ | £ |
| Financial assets | | | |
| Trade receivables | 1,960,267 | - | 1,960,267 |
| Other receivables | 507,128 | - | 507,128 |
| Cash and cash | 320,780 | - | 320,780 |
| Total financial assets | 2,788,175 | - | 2,788,175 |
| Financial liabilities | | | |
| Trade payables, other payables and accruals-current | - | 2,997,331 | 2,997,331 |
| Other payables – non current | - | 331,270 | 331,270 |
| Total financial liabilities | - | 3,328,601 | 3,328,601 |

Financial instruments

Company

The carrying value of each of the categories of financial instruments as at last year's balance sheet date are as follows:

| | Loan and receivables | Financial liabilities at amortised cost | 2020 Total |
|---|-------------------------|--|------------------|
| | £ | £ | £ |
| Financial assets | | | |
| Trade receivables | 2,625,501 | - | 2,625,501 |
| Other receivables | 1,249,791 | - | 1,249,791 |
| Cash and cash | 340,773 | - | 340,773 |
| Total financial assets | 4,216,065 | - | 4,216,065 |
| Financial liabilities | | | |
| Trade payables, other payables and accruals-current | - | 2,717,286 | 2,717,286 |
| Payables to fellow group companies | - | 1,659,917 | 1,659,917 |
| Total financial liabilities | - | 4,377,203 | 4,377,203 |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

The carrying amounts of each of the categories of financial instruments as at last year's balance sheet date are as follows:

| | Loan and receivables | Financial liabilities at amortised cost | 2019 Total |
|---|-------------------------|--|------------------|
| | £ | £ | £ |
| Financial assets | | | |
| Trade receivables | 1,500,048 | - | 1,500,048 |
| Other receivables | 721,013 | - | 721,013 |
| Cash and cash | 193,791 | - | 193,791 |
| Total financial assets | 2,414,852 | - | 2,414,852 |
| Financial liabilities | | | |
| Trade payables, other payables and accruals-current | - | 2,171,992 | 2,171,992 |
| Other payables – non current | - | 331,270 | 331,270 |
| Payables to fellow group companies | - | 339,525 | 339,525 |
| Total financial liabilities | - | 2,842,787 | 2,842,787 |

23 Trade and other payables Group

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Trade payables | 1,131,116 | 1,263,861 |
| Amounts owed to fellow group undertakings | 1,097,914 | - |
| Accruals | 1,105,174 | 554,436 |
| Social security and other taxation | 669,103 | 478,289 |
| Other payables | 28,181 | 548,353 |
| | 4,031,488 | 2,844,939 |

Company

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Trade payables | 1,091,267 | 1,087,113 |
| Amounts owed to fellow group undertakings | 1,659,917 | 339,525 |
| Accruals | 949,397 | 331,520 |
| Social security and other | 648,441 | 457,612 |
| Other payables | 28,181 | 143,355 |
| | 4,377,203 | 2,359,125 |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

24 Right-of-use-Assets – Group and company

The group has lease contracts for various Buildings and Vehicles used in the operations. The company has adopted IFRS16 'Leases' using the retrospective method at the date of initial application of 1 April 2019 and as permitted by IFRS16 comparative information has not been restated. The amounts recognised in the financial statements in relation to the leases are as follows (same amounts for the group and for the company):

The balance sheet shows the following amounts relating to the leases:

| | 2020 | 2019 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Right-of-use-Assets | | |
| | 31 Mar | 1 Apr |
| Buildings | 973,168 | 1,113,757 |
| Vehicles | 284,871 | 129,598 |
| | <u>1,258,039</u> | <u>1,243,355</u> |
| Lease liabilities | | |
| | 2020 | 2019 |
| | £ | £ |
| Amounts due within 1 year | 282,004 | 280,816 |
| Amounts due over 1 year | 1,008,065 | 982,904 |
| | <u>1,290,069</u> | <u>1,263,720</u> |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

The profit and loss accounts show the following amounts relating to leases:

| | 2020 £ | 2019 £ |
|--|----------------|-----------|
| Depreciation Charges of Right-of-use Assets | | |
| Properties | 140,589 | - |
| Vehicles | 151,891 | - |
| | <u>292,480</u> | <u>-</u> |
| Interest expense (included in Interest payable) | 40,983 | - |

The future minimum lease payment as at 31st March 2020 are as follows:

| | 2020 £ | 2019 £ |
|---------------------------------|------------------|------------------|
| | 31 Mar | 1 Apr |
| Within one year | 319,016 | 241,024 |
| Between one year and five years | 731,490 | 695,426 |
| Later than five years | 387,375 | 501,823 |
| Total gross payments | <u>1,437,881</u> | <u>1,438,273</u> |
| Impact of finance expenses | <u>(147,813)</u> | <u>(174,553)</u> |
| Carrying amount of liability | <u>1,290,068</u> | <u>1,263,720</u> |

Reconciliation of the IAS 17 operating lease commitment to the IFRS16 lease liability is as follows:

| | Properties £ | Vehicles £ | Total £ |
|---|------------------|----------------|------------------|
| Operating Lease Commitment 31st March 2019 | 782,383 | 182,035 | 964,418 |
| 2019 restatement of Operating Lease Commitment | 384,422 | (34,394) | 350,028 |
| Discount Factor Using Group Incremental Borrowing rate 3% | (32,683) | (18,043) | (50,726) |
| IFRS16 Lease Liability at 1st April 2019 | <u>1,134,122</u> | <u>129,598</u> | <u>1,263,720</u> |

25 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

| Group | Total £ |
|---|----------------|
| Deferred tax liability at 31 March 2018 | 15,088 |
| Provided during the year | <u>22,766</u> |
| Deferred tax liability at 31 March 2019 | 37,854 |
| Provided during the year | <u>(5,381)</u> |
| Deferred tax liability at 31 March 2020 | <u>32,473</u> |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

| Company | Total £ |
|---|----------------|
| Deferred tax liability at 31 March 2018 | 13,565 |
| Provided during the year | <u>16,967</u> |
| Deferred tax liability at 31 March 2019 | 30,532 |
| Provided during the year | <u>(5,381)</u> |
| Deferred tax liability at 31 March 2020 | <u>25,151</u> |

26 Retirement benefit schemes

Defined contribution scheme

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £138,139 (2019: £91,467). At the balance sheet date there was a pension creditor of £26,865 (2019: £nil).

27 Share capital

| Group and Company | 2020 £ | 2019 £ |
|-------------------------------|------------|------------|
| Ordinary share capital | | |
| <i>Issued and fully paid</i> | | |
| 94,700 of 1p each | <u>947</u> | <u>947</u> |

During the year A,B,C,D and E ordinary shares of 1p each were consolidated into the same number of ordinary shares of 1p each.

28 Share premium account

| Group and Company | 2020 £ | 2019 £ |
|--------------------------------------|----------------|----------------|
| At the beginning and end of the year | <u>136,688</u> | <u>136,688</u> |

29 Capital redemption reserve

| Group and Company | 2020 £ | 2019 £ |
|--------------------------------------|------------|------------|
| At the beginning and end of the year | <u>765</u> | <u>765</u> |

30 Capital risk management

The company is not subject to any externally imposed capital requirements.

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

31 Related parties

As permitted related party transactions with entities that are members of the group and its subsidiaries have not been disclosed in these financial statements.

32 Parent company

Following the sale on 31 July 2019 the immediate parent company is Sharp Electronics (Europe) Limited.

The ultimate parent company is Sharp Corporation, a company incorporated and registered in Japan. The Complete I.T. Limited accounts are consolidated in the Sharp Corporation financial statements. These financial statements are prepared in accordance with Japanese GAAP and are available to the public and may be obtained from 1 Takumi-cho, Sakai-ku, Sakai City, Osaka 590-8522, Japan.

33 Cash generated from operations

| Group | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Profit for the year after tax | 1,433,809 | 1,271,448 |
| Adjustments for: | | |
| Taxation charged | 217,543 | 309,908 |
| Finance costs | 65,374 | 14,285 |
| Loss/(gain) on disposal of property, plant and equipment | 1,285 | (5,504) |
| Gain on disposal of investment property | (1,544) | - |
| Amortisation and impairment of intangible assets | (732) | 17,581 |
| Depreciation of property, plant and equipment | 145,325 | 327,557 |
| Depreciation of right-of-use assets | 292,480 | - |
| Transition adjustment | - | (208,807) |
| Movements in working capital: | | |
| Decrease in inventories | - | 698 |
| Increase in trade and other receivables | (1,184,227) | (327,356) |
| Increase in trade and other payables | 1,186,551 | 278,796 |
| Cash generated from operations | 2,155,864 | 1,678,603 |

34 Transition adjustments

Reconciliation of equity

| Group | 1 April 2018 £ | 31 March 2019 £ |
|--------------------------------------|----------------------|-----------------------|
| | Notes | |
| Equity as previously reported | 215,635 | 708,275 |
| Adjustments arising from transition: | | |
| Goodwill | A - | 344,227 |
| Equity as restated | 215,635 | 1,052,502 |

COMPLETE I.T. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Reconciliation of profit for the financial period

| | Notes | 2019 £ |
|--------------------------------------|-------|------------------|
| Profit as previously reported | | 1,062,641 |
| Adjustments arising from transition: | | |
| Goodwill | A | <u>208,807</u> |
| Profit as restated | | <u>1,271,448</u> |

Notes to reconciliations

A – Goodwill impairment

Previously goodwill was amortised on a straight line basis over 10 years. Under IFRS it is permitted for goodwill not to be amortised and instead to have an annual impairment. This was performed which resulted in the reversal of the amortised goodwill brought forward which resulted in an uplift in the profit and retained earnings previously stated.