

Registered number: 02695678

SYSTEMATION EURO LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



SYSTEMATION EURO LIMITED
REGISTERED NUMBER: 02695678

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	117,558	137,151
Tangible assets	5	3,423,865	4,122,368
Investments	6	1	1
		<u>3,541,424</u>	<u>4,259,520</u>
Current assets			
Stocks		87,405	85,913
Debtors: amounts falling due within one year	7	3,096,437	3,256,352
Cash at bank and in hand		41,625	43,650
		<u>3,225,467</u>	<u>3,385,915</u>
Creditors: amounts falling due within one year	8	(2,099,052)	(2,187,774)
Net current assets		<u>1,126,415</u>	<u>1,198,141</u>
Total assets less current liabilities		<u>4,667,839</u>	<u>5,457,661</u>
Creditors: amounts falling due after more than one year	9	(1,832,370)	(2,506,863)
Provisions for liabilities			
Deferred tax		(370,315)	(306,227)
Net assets		<u>2,465,154</u>	<u>2,644,571</u>
Capital and reserves			
Called up share capital		151,428	151,428
Share premium account		128,570	128,570
Profit and loss account		2,185,156	2,364,573
		<u>2,465,154</u>	<u>2,644,571</u>

SYSTEMATION EURO LIMITED
REGISTERED NUMBER: 02695678

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.


The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
Mr V R Patel
Director

Date: 23/12/2022

The notes on pages 3 to 14 form part of these financial statements.

SYSTEMATION EURO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Systemation Euro Limited ("the company") is a private company limited by shares incorporated in England and Wales under the Companies Act.

The registered number and address of the registered office is given in the company information.

The functional and presentational currency of the company is pounds sterling (£) and rounded to the nearest whole pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Director has considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. In response to the COVID-19 pandemic, the Director has taken into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Director has concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

SYSTEMATION EURO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Registration plate	-	10 years
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2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

SYSTEMATION EURO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	10% straight line
Plant and machinery	-	10% straight line
Motor vehicles	-	25% straight line
Office equipment	-	20% straight line
Machinery held off site	-	10% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

SYSTEMATION EURO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

SYSTEMATION EURO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Employees

The average monthly number of employees, including directors, during the year was 33 (2021 - 35).

4. Intangible assets

	Registration plate £
Cost	
At 1 April 2021	195,930
At 31 March 2022	<u>195,930</u>
Amortisation	
At 1 April 2021	58,779
Charge for the year on owned assets	19,593
At 31 March 2022	<u>78,372</u>
Net book value	
At 31 March 2022	<u><u>117,558</u></u>
At 31 March 2021	<u><u>137,151</u></u>

SYSTEMATION EURO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Machinery held off site £	Total £
Cost						
At 1 April 2021	1,546,778	5,720,715	20,120	621,981	1,324,786	9,234,380
Additions	-	-	-	32,029	-	32,029
Disposals	-	-	-	(16,885)	-	(16,885)
At 31 March 2022	1,546,778	5,720,715	20,120	637,125	1,324,786	9,249,524
Depreciation						
At 1 April 2021	536,517	3,965,333	18,995	320,949	270,218	5,112,012
Charge for the year on owned assets	154,678	338,612	1,125	87,122	132,479	714,016
Disposals	-	-	-	(369)	-	(369)
At 31 March 2022	691,195	4,303,945	20,120	407,702	402,697	5,825,659
Net book value						
At 31 March 2022	855,583	1,416,770	-	229,423	922,089	3,423,865
At 31 March 2021	1,010,261	1,755,382	1,125	301,032	1,054,568	4,122,368

SYSTEMATION EURO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2021	1
At 31 March 2022	<u>1</u>
Net book value	
At 31 March 2022	<u><u>1</u></u>

Systemation Euro Limited owned 100% of the ordinary share capital of Elcoteq Hungary Limited.

7. Debtors

	2022 £	2021 £
Trade debtors	170,110	430,372
Amounts owed by group undertakings	797,277	798,177
Other debtors	2,087,908	1,989,993
Prepayments and accrued income	41,142	37,810
	<u>3,096,437</u>	<u>3,256,352</u>

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

SYSTEMATION EURO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	192,590	50,671
Trade creditors	105,680	221,203
Amounts owed to group undertakings	8,940	-
Other taxation and social security	115,865	121,016
Obligations under finance lease and hire purchase contracts	556,004	480,024
Other creditors	1,014,467	1,210,161
Accruals and deferred income	105,506	104,699
	<u>2,099,052</u>	<u>2,187,774</u>

Bank loans of £192,590 (2021: £50,671) are secured over the company's assets.

Obligations under finance leases and hire purchases contracts of £556,004 (2021: £480,024) are secured against the assets concerned.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	1,064,368	1,378,658
Obligations under finance leases and hire purchase contracts	768,002	1,128,205
	<u>1,832,370</u>	<u>2,506,863</u>

Bank loans of £1,064,368 (2021: £1,378,658) are secured over the company's assets.

Obligations under finance leases and hire purchases contracts of £768,002 (2021: £1,128,205) are secured against the assets concerned.

SYSTEMATION EURO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within 1 year		
Bank loans	192,590	50,671
	<u>192,590</u>	<u>50,671</u>
Amounts falling due 1-2 years		
Bank loans	54,791	52,500
Other loans	130,000	-
	<u>184,791</u>	<u>52,500</u>
Amounts falling due 2-5 years		
Bank loans	587,077	219,142
Other loans	292,500	-
	<u>879,577</u>	<u>219,142</u>
Amounts falling due after more than 5 years		
Bank loans	-	457,016
Other loans	-	650,000
	<u>-</u>	<u>1,107,016</u>
	<u>1,256,958</u>	<u>1,429,329</u>

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £2,209 (2021: £2,116) were payable to the fund at the balance sheet date.

SYSTEMATION EURO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	158,453	158,453
Later than 1 year and not later than 5 years	393,353	400,522
Later than 5 years	-	151,284
	<u>551,806</u>	<u>710,259</u>

13. Related party transactions

Included within other debtors is a balance owed from Checksys Euro Limited, a company with directors and shareholders in common totalling £703,952 (2021: £851,450).

Also included within other debtors is a balance owed from Systorm UK Limited, a company with directors and shareholders in common totalling £541,632 (2021: £521,400).

Also included within other debtors is a balance owed from Tapia Investments Limited, a company with directors and shareholders in common totalling £200,752 (2021: £108,110).

Also included within other debtors is a balance owed from ISI of Indiana Inc, a company with directors holding equity interest totalling £358,663 (2021: £294,654).

Also included within other debtors is a balance owed from Tapia Developments Ltd, a company with shareholders in common totalling £116,121 (2021: £82,971).

Also included within other debtors is a balance owed from Elcotec Magyarország KFT, a company with directors and shareholders in common totalling £115,119 (2021: £115,119).

Included within other creditors, previously within other debtors is a balance owed to Sidwell Farms Ltd, a company with directors and shareholders in common totalling £3,993 (2021: £10,625).

Also included within other creditors, previously within other debtors is a balance owed to Elcotec Hungary Limited, a company with shareholders in common totalling £8,940 (2021: £900).

Also included within other creditors is a balance owed to the director totalling £40,337 (2021: £140,668).

All balances are interest free and repayable on demand.

SYSTEMATION EURO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Controlling party

The company's immediate and ultimate parent company is Sys Holding Limited, a company incorporated in England and Wales, and holding all of the issued ordinary shares in this company. The registered office of Sys Holding Limited is 1 The Forum, Minerva Business Park, Lynch Wood, Peterborough, PE2 6FT.