

Registration number: 04819820

Saker Solutions Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2021



Saker Solutions Limited

Contents

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 6
Statement of Income and Retained Earnings	7
Balance Sheet	8
Notes to the Financial Statements	9 to 14

Saker Solutions Limited

Company Information

Directors
A I Mills
T V Kite
M J Ellarby
S S Kite
C E Harrad
P W Bayliss

Company secretary C E Harrad

Registered office Warren Farm House
Sambourne Lane
Astwood Bank
Redditch
Worcestershire
B96 6PL

Auditors Hawsons Chartered Accountants
Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
South Yorkshire
S10 2QD

Saker Solutions Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the company is providing, consulting and training on process modelling software.

Directors of the company

The directors who held office during the year were as follows:

A I Mills

R Holden (ceased 1 March 2022)

T V Kite

M J Ellarby

S S Kite

C E Harrad

The following director was appointed after the year end:

P W Bayliss (appointed 1 March 2022)

Directors' liabilities

The company has made qualifying third party indemnity provisions for the benefits of its directors which were made during the year and remain in force at the date of this report.

Disclosure of information to the auditors

Each director of the company who held office at the date of the approval of this Annual Report, as set out above, confirms that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

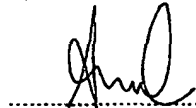
Reappointment of auditors

The auditors Hawsons Chartered Accountants are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 18 May 2022 and signed on its behalf by:



.....
A I Mills
Director

Saker Solutions Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Saker Solutions Limited

Independent Auditor's Report to the Members of Saker Solutions Limited

Opinion

We have audited the financial statements of Saker Solutions Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, 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 United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Saker Solutions Limited

Independent Auditor's Report to the Members of Saker Solutions Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Saker Solutions Limited

Independent Auditor's Report to the Members of Saker Solutions Limited (continued)

The company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006 and Health and Safety regulations. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

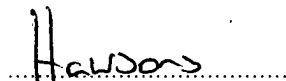
- Discussions with management and those responsible for legal compliance procedures within the company to obtain an understanding of the legal and regulatory framework applicable to the company and how the company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Board meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

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



Simon Bladen (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
South Yorkshire
S10 2QD

Date: 27 May 2022

Saker Solutions Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2021

	Note	2021 £'000	2020 £'000
Turnover		1,792	1,588
Cost of sales		<u>(273)</u>	<u>(76)</u>
Gross profit		1,519	1,512
Administrative expenses		(895)	(970)
Other operating income		<u>35</u>	<u>50</u>
Operating profit		659	592
Other interest receivable and similar income		<u>-</u>	<u>16</u>
Profit before tax	3	659	608
Taxation		<u>(5)</u>	<u>(85)</u>
Profit for the financial year		654	523
Retained earnings brought forward		103	2,344
Dividends paid		<u>-</u>	<u>(2,764)</u>
Retained earnings carried forward		<u>757</u>	<u>103</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

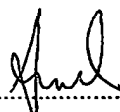
Saker Solutions Limited

(Registration number: 04819820)

Balance Sheet as at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	5	11	13
Current assets			
Debtors	6	1,138	285
Cash at bank and in hand		217	571
		<u>1,355</u>	<u>856</u>
Creditors: Amounts falling due within one year	7	<u>(608)</u>	<u>(765)</u>
Net current assets		<u>747</u>	<u>91</u>
Net assets		<u>758</u>	<u>104</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		<u>757</u>	<u>103</u>
Shareholders' funds		<u>758</u>	<u>104</u>

These financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A Small Entities, were approved and authorised for issue by the Board on ~~18 May 2022~~ and signed on its behalf by:



.....
A I Mills
Director

Saker Solutions Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Statutory information

Saker Solutions Limited is a private company, limited by shares, domiciled in England and Wales, company number 04819820. The registered office is at Warren Farm House, Sambourne Lane, Astwood Bank, Redditch, B96 6PL.

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There has been no material departure from this standard.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The presentation currency is United Kingdom pounds sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000. The financial statements are those of an individual entity.

Going concern

After due consideration of all relevant factors the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is primarily estimated by comparing time incurred on a project by project basis to date to total expected time. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Government grants

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

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

Saker Solutions Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Foreign currency transactions and balances

Transaction in currencies other than the functional currency are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets or liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transactions, or, if the asset or liability is measured at fair value, the rate when the fair value was determined.

All translation differences are taken to profit and loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Tax

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

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and equipment	20 - 25% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Saker Solutions Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Share capital

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

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the statement of comprehensive income.

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 timing of revenue recognition is subject to inherent complexities, especially in relation to more complex contracts. Revenue from contracts is recognised so as to ensure that an appropriate level of profit is recognised based on the stage of completion of the contract.

2 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 13 (2020 - 14).

3 Profit before tax

Arrived at after charging/(crediting)

	2021 £'000	2020 £'000
Depreciation expense	<u>4</u>	<u>4</u>

Saker Solutions Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

4 Taxation

Tax charged/(credited) in the income statement

	2021 £'000	2020 £'000
Current taxation		
UK corporation tax	-	89
UK corporation tax adjustment to prior periods	5	-
	5	89
Deferred taxation		
Arising from origination and reversal of timing differences	-	(4)
	5	85
Tax expense in the income statement	5	85

5 Tangible assets

	Plant and equipment £'000
Cost or valuation	
At 1 January 2021	55
Additions	2
	57
At 31 December 2021	57
Depreciation	
At 1 January 2021	42
Charge for the year	4
	46
At 31 December 2021	46
Carrying amount	
At 31 December 2021	11
At 31 December 2020	13

Saker Solutions Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

6 Debtors

	2021 £'000	2020 £'000
Trade debtors	328	133
Amounts owed by group undertakings	783	98
Other debtors	24	51
Deferred tax assets	3	3
	1,138	285

7 Creditors

	2021 £'000	2020 £'000
Due within one year		
Trade creditors	6	8
Taxation and social security	113	108
Other creditors	489	565
Income tax liability	-	84
	608	765

8 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	818	818	818	818

9 Financial commitments, guarantees and contingencies

Borrowings of ITI Engineering Group Limited, the company's parent company, are secured via a fixed and floating charge on the assets of the ITI Engineering Holdings Limited group including Saker Solutions Limited. At 31 December 2021, these borrowings total £13,111,000 (2020: £12,847,000).

10 Related party transactions

The company has taken advantage of the exemptions in FRS 102 from disclosing transactions with other wholly owned members of the group.

Saker Solutions Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

11 Parent and ultimate parent undertaking

The company's immediate parent company is ITI Operations Limited, a company registered in England and Wales.

ITI Engineering Holdings Limited is the ultimate parent company, and is the smallest and largest group for which consolidated accounts including Saker Solutions Limited are prepared. The consolidated accounts of ITI Engineering Holdings Limited are available from its registered office: Rotherside Road, Eckington, Sheffield, England, S21 4HL.