

Company registration number: 05132091

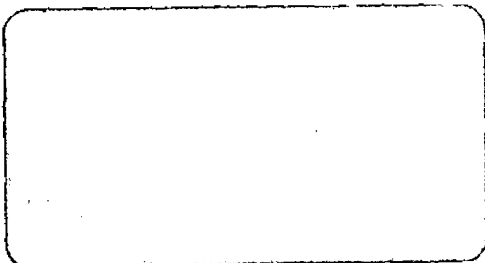
Satisnet Limited
Financial statements
31 October 2018



Satisnet Limited

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Satisnet Limited

Directors and other information

Director	J M McCann
Company number	05132091
Registered office	Basepoint Business Centre 110, Butterfield Great Marlings, Luton Bedfordshire LU2 8DL
Business address	Basepoint Business Centre, 110, Butterfield Great Marlings, Luton Bedfordshire, LU2 8DL
Auditor and Accountants	Howard Matthews Partnership Queensgate House, 23, North Park Road, Harrogate, North Yorkshire, HG1 5PD.
Bankers	Lloyds Bank plc 60, George Street, Luton, Bedfordshire, LU1 2BB.

Satisnet Limited

Strategic report Year ended 31 October 2018

Satisnet Ltd - Business Review

Satisnet Limited is a Cybersecurity Integrator providing security tools and services to corporates in the UK and EMEA.

The last few years have seen the company evolve into a managed security services provider and CyberTraining organisation.

The company continued to perform well, with an increase in turnover, gross profit and operating profit. There was a healthy retention of profits resulting in a further increase in capital and reserves of the company.

This change is due to the company moving more firmly into the role of a managed cyber security service provider, driven by customers demand for a more turnkey solution as they themselves struggle to recruit and retain skilled cybersecurity expertise. This challenge will remain and Satisnet will grow its CyberSOC to meet this demand, as well as continue to develop its SOC training capabilities using the Cyberkombat program.

Financial risk management objectives and policies

The company considers that at present the greatest risk to the profitable future of the business is that it does not continue its strong investment in research and the continued training of its own staff to keep pace with the evolving cyberthreat landscape.

Satisnet constantly reviews its business plan and maintains an agile stance as to how it responds to any new business drivers and market demands.

The company has extended its training program and investment in its staff, working closely with industry bodies and UK Universities.

This report was approved by the board of directors on 23 July 2019 and signed on behalf of the board by:



J M McCann
Director

Satisnet Limited

Director's report Year ended 31 October 2018

The director presents his report and the financial statements of the company for the year ended 31 October 2018.

Director

The director who served the company during the year was as follows:

J M McCann

Dividends

Particulars of dividends in the year are detailed in note 13 to the financial statements.

Future developments

The company continues to develop its SOC training capabilities using the Cyberkombat program and is due to move to improved premises in the second half of 2019.

Financial instruments

The company considers the purchase of forward foreign currency contracts to hedge currency exposure on future commitments.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Satisnet Limited

**Director's report (continued)
Year ended 31 October 2018**

This report was approved by the board of directors on 23 July 2019 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'J M McCann', written in a cursive style.

**J M McCann
Director**

Satisnet Limited

Independent auditor's report to the member of Satisnet Limited Year ended 31 October 2018

Opinion

We have audited the financial statements of Satisnet Limited for the year ended 31 October 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, 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 United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, 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 member those matters we are required to state to him in an auditors 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 authorised for issue.

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 director is responsible for the other information. 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.

Satisnet Limited

Independent auditor's report to the member of Satisnet Limited (continued) Year ended 31 October 2018

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 the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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 the returns; or
- certain disclosures of director's 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 director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

Satisnet Limited

**Independent auditor's report to the member of
Satisnet Limited (continued)
Year ended 31 October 2018**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Howard Matthews BA FCA (Senior Statutory Auditor)

**For and on behalf of
Howard Matthews Partnership
Chartered Accountants and Statutory Auditor
Queensgate House,
23, North Park Road,
Harrogate,
North Yorkshire,
HG1 5PD.**

23 July 2019

Satisnet Limited

**Statement of comprehensive income
Year ended 31 October 2018**

	Note	2018 £	2017 £
Turnover	4	11,862,958	10,252,379
Cost of sales		(8,597,882)	(8,093,885)
Gross profit		<u>3,265,076</u>	<u>2,158,494</u>
Administrative expenses		(2,485,730)	(1,868,447)
Other operating income	5	17,500	-
Operating profit	6	<u>796,846</u>	<u>290,047</u>
Other interest receivable and similar income	10	142,642	45,776
Interest payable and similar expenses	11	-	(78,124)
Profit before taxation		<u>939,488</u>	<u>257,699</u>
Tax on profit	12	31,637	201,830
Profit for the financial year and total comprehensive income		<u><u>971,125</u></u>	<u><u>459,529</u></u>

All the activities of the company are from continuing operations.

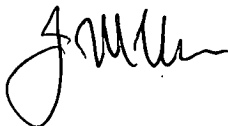
The notes on pages 12 to 22 form part of these financial statements.

Satisnet Limited

Statement of financial position
31 October 2018

	Note	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	14	<u>395,993</u>		<u>403,337</u>	
			395,993		403,337
Current assets					
Debtors	15	6,029,904		5,807,144	
Cash at bank and in hand		<u>948,981</u>		<u>1,011,492</u>	
		6,978,885		6,818,636	
Creditors: amounts falling due within one year	16	<u>(2,241,696)</u>		<u>(2,979,948)</u>	
Net current assets			<u>4,737,189</u>		<u>3,838,688</u>
Total assets less current liabilities			<u>5,133,182</u>		<u>4,242,025</u>
Provisions for liabilities	17		(12,303)		(12,921)
Net assets			<u><u>5,120,879</u></u>		<u><u>4,229,104</u></u>
Capital and reserves					
Called up share capital	22		1		1
Profit and loss account			<u>5,120,878</u>		<u>4,229,103</u>
Shareholder funds			<u><u>5,120,879</u></u>		<u><u>4,229,104</u></u>

These financial statements were approved by the board of directors and authorised for issue on 23 July 2019, and are signed on behalf of the board by:



J M McCann
Director

Company registration number: 05132091

The notes on pages 12 to 22 form part of these financial statements.

Satisnet Limited

**Statement of changes in equity
Year ended 31 October 2018**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 November 2016	1	3,769,574	3,769,575
Profit for the year	-	459,529	459,529
Total comprehensive income for the year	-	459,529	459,529
At 31 October 2017 and 1 November 2017	1	4,229,103	4,229,104
Profit for the year	-	971,125	971,125
Total comprehensive income for the year	-	971,125	971,125
Dividends paid and payable	-	(79,350)	(79,350)
Total investments by and distributions to owners	-	(79,350)	(79,350)
At 31 October 2018	1	5,120,878	5,120,879

Satisnet Limited

**Statement of cash flows
Year ended 31 October 2018**

	2018	2017
	£	£
Cash flows from operating activities		
Profit for the financial year	971,125	459,529
<i>Adjustments for:</i>		
Depreciation of tangible assets	31,770	34,160
Government grant income	(17,500)	-
Other interest receivable and similar income	(142,642)	(45,776)
Interest payable and similar expenses	-	78,124
Gain/(loss) on disposal of tangible assets	-	733
Tax on profit	(31,637)	(201,830)
Accrued expenses/(income)	17,352	620,480
<i>Changes in:</i>		
Trade and other debtors	(207,078)	(3,135,406)
Trade and other creditors	(838,452)	(107,178)
Cash generated from operations	(217,062)	(2,297,164)
Interest paid	-	(78,124)
Interest received	142,642	45,776
Tax paid	100,739	11,850
Net cash from/(used in) operating activities	<u>26,319</u>	<u>(2,317,662)</u>
Cash flows from investing activities		
Purchase of tangible assets	(24,426)	(12,426)
Net cash used in investing activities	<u>(24,426)</u>	<u>(12,426)</u>
Cash flows from financing activities		
Proceeds from borrowings	(2,554)	-
Government grant income	17,500	-
Equity dividends paid	(79,350)	-
Net cash used in financing activities	<u>(64,404)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(62,511)	(2,330,088)
Cash and cash equivalents at beginning of year	1,011,492	3,341,580
Cash and cash equivalents at end of year	<u>948,981</u>	<u>1,011,492</u>

Satisnet Limited

Notes to the financial statements Year ended 31 October 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Basepoint Business Centre, 110, Butterfield, Great Marlings, Luton, Bedfordshire, LU2 8DL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Satisnet Limited

Notes to the financial statements (continued) Year ended 31 October 2018

Research and development

Research expenditure is written off in the year in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	see note below
Short l/hold property improvements	-	25% straight line
Fittings fixtures and equipment	-	25% reducing balance
Computer equipment	-	33% reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Depreciation is not being provided in respect of the freehold property, at present, and the property is in the accounts at cost. The director has considered any impairment of the property and no amendment to its value is considered necessary.

Satisnet Limited

Notes to the financial statements (continued) Year ended 31 October 2018

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Satisnet Limited

Notes to the financial statements (continued) Year ended 31 October 2018

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Turnover

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2018	2017
	£	£
UK	10,088,645	9,138,660
Europe	1,220,915	288,240
Rest of the World	553,398	825,479
	<u>11,862,958</u>	<u>10,252,379</u>

Satisnet Limited

**Notes to the financial statements (continued)
Year ended 31 October 2018**

5. Other operating income

	2018	2017
	£	£
Government grant income	17,500	-
	<u>17,500</u>	<u>-</u>

6. Operating profit

Operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible assets	31,770	34,160
(Gain)/loss on disposal of tangible assets	-	733
Impairment of trade debtors	12,023	97,335
Operating lease rentals	89,882	62,190
Foreign exchange differences	(52,194)	(28,276)
Fees payable for the audit of the financial statements	5,350	4,550
	<u>5,350</u>	<u>4,550</u>

7. Auditors remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	5,350	4,550
	<u>5,350</u>	<u>4,550</u>

8. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2018	2017
Director	1	1
Staff	47	35
	<u>48</u>	<u>36</u>

The aggregate payroll costs incurred during the year were:

	2018	2017
	£	£
Wages and salaries	1,687,130	1,172,798
Social security costs	174,713	115,574
Other pension costs	25,974	10,963
	<u>1,887,817</u>	<u>1,299,335</u>

Satisnet Limited

Notes to the financial statements (continued)
Year ended 31 October 2018

9. Directors remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	<u>6,000</u>	<u>6,000</u>

10. Other interest receivable and similar income

	2018	2017
	£	£
Loans and receivables	141,304	43,356
Other interest receivable and similar income	1,338	2,420
	<u>142,642</u>	<u>45,776</u>

11. Interest payable and similar expenses

	2018	2017
	£	£
Loss on fair value adjustment of financial liabilities at fair value through profit or loss	-	76,665
Other interest payable and similar expenses	-	1,459
	<u>-</u>	<u>78,124</u>

Satisnet Limited

**Notes to the financial statements (continued)
Year ended 31 October 2018**

12. Tax on profit

Major components of tax income

	2018	2017
	£	£
Current tax:		
UK current tax expense	181,408	62,719
Adjustments in respect of previous periods	<u>(212,427)</u>	<u>(260,704)</u>
Deferred tax:		
Origination and reversal of timing differences	<u>(618)</u>	<u>(3,845)</u>
Tax on profit	<u><u>(31,637)</u></u>	<u><u>(201,830)</u></u>

Reconciliation of tax income

The tax assessed on the profit for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%).

	2018	2017
	£	£
Profit before taxation	<u>939,488</u>	<u>257,699</u>
Profit multiplied by rate of tax	178,503	48,963
Adjustments in respect of prior periods	(212,427)	(260,704)
Effect of expenses not deductible for tax purposes	3,044	9,758
Effect of capital allowances and depreciation	1,174	3,998
Double Tax Relief	(1,313)	-
Deferred tax movement	<u>(618)</u>	<u>(3,845)</u>
Tax on profit	<u><u>(31,637)</u></u>	<u><u>(201,830)</u></u>

Factors affecting future tax expense

The adjustments in respect of earlier years are as a result of R & D claims that were made subsequently to the originally submitted tax returns. It is the intention of the company to submit a claim in respect of R & D activities carried out in the current year but the amount of such a claim has not been quantified as yet.

13. Dividends

Equity dividends

	2018	2017
	£	£
Dividends paid during the year	<u>79,350</u>	<u>-</u>

Satisnet Limited

Notes to the financial statements (continued)
Year ended 31 October 2018

14. Tangible assets

	Freehold property £	Short leasehold property £	Fixtures, fittings and equipment £	Computer Equipment £	Total £
Cost					
At 1 November 2017	326,443	18,986	131,455	121,943	598,827
Additions	-	-	-	24,426	24,426
At 31 October 2018	<u>326,443</u>	<u>18,986</u>	<u>131,455</u>	<u>146,369</u>	<u>623,253</u>
Depreciation					
At 1 November 2017	3,264	9,702	120,013	62,511	195,490
Charge for the year	-	4,747	2,860	24,163	31,770
At 31 October 2018	<u>3,264</u>	<u>14,449</u>	<u>122,873</u>	<u>86,674</u>	<u>227,260</u>
Carrying amount					
At 31 October 2018	<u>323,179</u>	<u>4,537</u>	<u>8,582</u>	<u>59,695</u>	<u>395,993</u>
At 31 October 2017	<u>323,179</u>	<u>9,284</u>	<u>11,442</u>	<u>59,432</u>	<u>403,337</u>

15. Debtors

	2018 £	2017 £
Trade debtors	1,688,988	2,296,967
Amounts owed by group undertakings	661,633	658,257
Prepayments and accrued income	88,983	73,301
Other debtors	3,590,300	2,778,619
	<u>6,029,904</u>	<u>5,807,144</u>

16. Creditors: amounts falling due within one year

	2018 £	2017 £
Payments received on account	367,300	638,531
Trade creditors	893,178	1,372,087
Accruals and deferred income	594,881	293,996
Corporation tax	181,408	62,719
Social security and other taxes	203,900	172,824
Director loan accounts	-	2,554
Derivative financial liability	-	76,665
Other creditors	1,029	360,572
	<u>2,241,696</u>	<u>2,979,948</u>

Satisnet Limited

Notes to the financial statements (continued)
Year ended 31 October 2018

17. Provisions

	Deferred tax (note 18)	Total
	£	£
At 1 November 2017	12,921	12,921
Additions/(Deductions)	(618)	(618)
At 31 October 2018	<u>12,303</u>	<u>12,303</u>

18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in provisions (note 17)	<u>12,303</u>	<u>12,921</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Accelerated capital allowances	<u>12,303</u>	<u>12,921</u>

19. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £25,974 (2017: £10,963).

20. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2018	2017
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>17,500</u>	<u>-</u>

Satisnet Limited

Notes to the financial statements (continued)
Year ended 31 October 2018

21. Financial instruments

	2018	2017
	£	£
Financial liabilities measured at fair value through profit or loss		
Forward foreign currency contract	-	76,665
	<u> </u>	<u> </u>

The company purchases forward foreign currency contracts to hedge currency exposure on future commitments. The fair value of the liability through the profit and loss at the balance sheet date is determined using quoted prices.

22. Called up share capital
Issued, called up and fully paid

	2018		2017	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	1	1	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

23. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	86,578	77,002
	<u> </u>	<u> </u>

The company agreed a new lease for 6 years with a commitment of £60,463 per annum after the year end.

24. Contingent assets and liabilities

The company entered into an Employee Benefit Trust (EBT) and a Employee Financed Retirement Benefit Schemes (EFRB's) between May 2008 & May 2010. Negotiations with HMRC in regard to settling both the EBT & EFRB schemes were concluded during this year, therefore, previous payments on account were cleared. No contingent assets or liabilities were outstanding at the year end.

Satisnet Limited

**Notes to the financial statements (continued)
Year ended 31 October 2018**

25. Directors advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

2018		Balance brought forward	Advances /(credits) to the director	Balance o/standing
		£	£	£
J M McCann		(2,554)	22,728	20,174
		<u> </u>	<u> </u>	<u> </u>
2017		Balance brought forward	Advances /(credits) to the director	Balance o/standing
		£	£	£
J M McCann		(2,554)	-	(2,554)
		<u> </u>	<u> </u>	<u> </u>

26. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2018	2017	2018	2017
	£	£	£	£
Honeycomb Technologies Limited	269,485	164,091	(147,501)	(74,430)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Honeycomb Technologies Limited, is a company in which the director is a minority shareholder. Transactions have been completed under normal market conditions.

In the year ended October 2017 the company provided a loan to Honeycomb Technologies Limited of £150,000. The balance owed at the year end was £161,823 (2017 - £154,323).

Satisnet Europe SL, a company registered in Spain, is 100% owned by Satisnet Ltd, J M McCann and Satisnet Limited are directors. there is an outstanding debtor balance to Satisnet Ltd at the year end of £661,633 (2017 - £658,257).

The Course of One's Life Limited was an associated company, which J M McCann was the director and shareholder, the company was dissolved on 27 March 2018. There was no outstanding balance relating to Satisnet Ltd at the year end (2017 - £359,543 creditor balance).