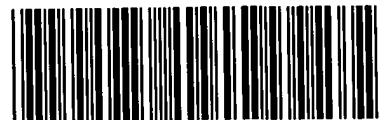

STORM TECHNOLOGIES LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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STORM TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors	Mr J Brooker Mr R Marquis Mr N Umney Mr M Smith Ms K Anstey
Registered number	03998372
Registered office	Unit 2 Boulevard, Blackmoor Lane Croxley Business Park Watford Hertfordshire WD18 8YW
Independent auditor	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Radius House 51 Clarendon Road Watford Hertfordshire WD17 1HP

STORM TECHNOLOGIES LIMITED

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STORM TECHNOLOGIES LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Introduction

Storm Technologies Ltd is one of the top independent IT Value-Added Resellers in the UK. Our aim is to deliver exceptional service to our customers in corporate and public sector organisations. We advise our customers on IT strategy, implement the most appropriate technology and provide the products, services that support our customers every step of their journey towards enhancing their users IT experience and performance.

STORM TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Business review

In 2023, the Company faced an increasingly challenging and competitive environment in the UK IT sector. Against the more general economic backdrop, which continued to present challenges in the form of ongoing inflationary pressures and rising interest rates, coupled with cautious business spending, we continued to adapt our strategy by focusing on our operations resilience, innovation, and long-term sustainability.

Over the past years, the rapid development of digital technologies such as AI, cloud computing, and cybersecurity has created opportunities for future growth. But the post-pandemic slowing down of customer investments in new IT infrastructure affected demand for key business lines.

Notwithstanding the challenges, the Company showed resilience by improving Gross Profit margin and operational efficiency, though the results reflect the difficulties of the year:

Total Turnover was down -15.0% to £107.5m (2022: £126.4m), largely due to the decline in customer spend and project delays. Gross Profit was up by 2.6% to 21.0% but reduced volumes meant absolute Gross Profit was down -2.7% to £22.6m (2022: £23.2m). Administrative Expenses increased by +3.9% to £21.6m (2022: £20.8m), well below RPI inflation, as the company exercised tight cost control whilst investing in the acquisition of talent and increased operational capacity to support longer-term growth. Consequently, net operating profit before taxation contracted significantly by -65.6% to £749k (2022: ££2.2m), reflecting both lower revenues and further investment in key growth areas.

Strategic initiatives and Key Developments

Notwithstanding the economic challenges, we continued to invest in Artificial Intelligence, Automation Solutions, Cloud Computing, Cybersecurity, and make progress on our geographical expansion plans for further establishment of a presence in the USA and Europe. Both markets have significant long-term opportunities; and we remain committed to growing our presence internationally.

Our growth into sustainable IT solutions continues to be one of the cornerstones of our strategy. Our hardware refresh program received increased attention as businesses expand their call for greener initiatives.

Market and Economic Challenges

The year 2023 saw an economy that was marked by sustained inflation, high-interest rates, and conservative customer spending. All this had its effect on both the top line and timing of key projects, many of which were deferred by customers to future periods.

2024 Outlook

Our short-term outlook for 2024 remains one of continued challenges as economic conditions remain uncertain. On the medium-to-long-term view, though, things look more positive, as businesses go back to more aggressive IT investments once the macroeconomic environment also stabilises.

The company made progress in operating efficiency by keeping cost growth below inflation whilst investing in the front office to deliver growth. Therefore, despite the challenges of 2023, we have retained our confidence in the strategic course pursued by the Company. Our base in AI, cybersecurity, and cloud offering, supplemented by geographical expansion, places the Company in a good position for the future. While the economic climate is still uncertain, we at the same time will be well placed to adapt to any shift in market conditions and embrace new opportunities opening under the IT sector.

STORM TECHNOLOGIES LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Principal risks and uncertainties

Profitable growth within the competitive marketplace

Our comprehensive value added services portfolio continues to underpin our business and with our continual path of self improvement both with internal and customer facing systems, on-going close ties with the industries key vendors and an expanded sales and technical team, we fully expect to deliver significant growth both in revenue, margin and profitability moving forward.

Dependence on specific customers or industry sectors

No one account makes up more than 5% of Storm Technologies' total revenue and no one industry sector makes up more than 10% of total revenue. As such, the Company is resilient to market and account fluctuations and changes in buying patterns.

FINANCIAL RISK MANAGEMENT

Credit Risk

The company keeps exposure to credit risk and cash flow risk to a minimum by making sales on normal credit terms, maintaining robust credit control procedures and insuring its debts. Outstanding invoices are constantly monitored to ensure that customers pay to terms. The Company has an excellent track record in avoiding bad debts write offs.

Liquidity and Cash Flow

The company actively monitors its financial position to ensure the company has sufficient funds available for operations and planned expansions.

Financial key performance indicators

Storm Technologies measures its performance using 4 main financial KPIs and these are reported to and reviewed by the Management Team at monthly meetings:

- Gross Profit
- Gross Profit Margin
- Net Profit
- Cash Flow

Other key performance indicators

Storm Technologies also uses non-financial KPIs to assess its performance:

- Sales Ratio
- Customer Retention
- Orders Turnaround
- Quotes Conversion

STORM TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Directors' statement of compliance with duty to promote the success of the Group

Directors Duties

The directors of this Group must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised below.

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term;
- The interest of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the Company.

The following paragraphs summarise how the directors fulfil these duties;

Risk Management

Consideration of our risks is an integral part of how our Group operates. Risk management is considered on a daily basis and a lot of what we do is highly regulated to eliminate risk where possible. Risks are reviewed at Director level on a regular basis, and categorising the likelihood and severity of these risks means the management team can focus on all significant areas.

Our People

The Group is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, investors and society as a whole. People are at the heart of our business and for our business to succeed we need to manage our peoples' performance and develop and bring through talent whilst ensuring we operate as effectively as possible. We must ensure we engage with our teams and guide our behaviour so we achieve our combined goals in the right way.

Business Relationships

Our strategy prioritises organic growth, driven by new product development, with expansion into new categories and new customers. To do this, we need to develop and maintain the strong client relationships we currently have. We value all our suppliers, and also have a small group of preferred partners within our supply base who we regularly meet with to discuss supplier challenges.

Community and Environment

The Group's approach is to use our position of strength to create positive change for the people and communities in which we interact. We have a number of community initiatives the UK. During the year the Group spent £Nil (2022: £945) on charitable donations and local community sponsorships.

Shareholders

The Board is committed to openly engaging with our shareholders, as we recognise the importance of a continuing effective dialogue with our major investors. It is important to us that shareholders understand our strategy and objectives. These are explained clearly through describing and agreeing with them the strategic pillars we deem fundamental to our success.

STORM TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

THE FUTURE

Storm Technologies' primary business objective for the next few years is to further consolidate its position as one of the top independent IT Value-Added Resellers in the UK. The company will continue with its strategy of reinvesting profits in the business infrastructure and personnel ensuring it maintains strong relationships with customers and suppliers.

This report was approved by the board and signed on its behalf.

Signed by:

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.....
Mr J Brooker
Director

Date: 27-09-2024 | 10:31 BST

STORM TECHNOLOGIES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £312,359 (2022 - £1,704,219).

During the year, dividends of £Nil (2022: £1,800,000) have been declared and paid. The Directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

Mr J Brooker
Mr R Marquis
Mr N Umney
Mr M Smith
Ms K Anstey

Future developments

Storm Technologies' primary business objective for the next few years is to further consolidate its position as one of the top independent IT Value-Added Resellers in the UK. The company will continue with its strategy of reinvesting profits in the business infrastructure and personnel ensuring it maintains strong relationships with customers and suppliers

STORM TECHNOLOGIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Engagement with suppliers, customers and others

We recognise the importance of making decisions that are right for us, our suppliers and our customers and this is driven through more end to end costings.

We are in daily discussions with our customers and we also hold periodic conference calls with top suppliers to discuss any upcoming matters.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company's CO₂e represented in related energy (kWh) totals are as follows:

	2023	2022
Direct energy consumption from owned/controlled operations	149,779	464,584
Indirect energy consumption from the use of purchased electricity, steam, heating, and cooling	546,319	574,210
Other indirect energy consumptions	49,415	41,955

Emissions have been quantified using UK Government Reporting and Conversion methodology and DEFRA conversion factors and in accordance with the GHG Corporate Reporting and Accounting Standard.

We have used the financial control approach. The majority of emissions impact comes from our own offices, premises and staff. It also includes significant impacts from activities that are not owned by the company, but over which it exerts financial control.

Electricity & Gas

Electricity consumption totals were provided from monthly invoices for both sites.

Employee Vehicles

Mileage reimbursement data has been used to deliver impacts from employee fuel consumption. Where vehicle types have been supplied these have been used, with unknown fuel or engine size conversion factors used where no specific vehicle data is available.

Business Travel & Hotel Stay

Air travel data including the flight journey, the class of travel and the passenger numbers, allowing for the accurate calculation of emissions from business travel by air. Hotel stay data included the required data fields of country of stay and number of room nights.

We have chosen revenue and FTE intensity for our business from Scope 1, 2 & 3 emissions that we have measured for our business for the financial year ending 31 December 2023. These measures form the best available intensity measures for our business.

	2023	2022
Carbon Intensity per FTE (CO ₂ e/FTE)	48.42	3.79
Carbon Intensity per £100,000 (CO ₂ e/£100,000)	8.46	0.59

STORM TECHNOLOGIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Signed by:

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.....
Mr J Brooker
Director

Date: 27-09-2024 | 10:31 BST

STORM TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORM TECHNOLOGIES LIMITED

Opinion

We have audited the financial statements of Storm Technologies Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

STORM TECHNOLOGIES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORM TECHNOLOGIES LIMITED
(CONTINUED)**

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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 6, 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.

STORM TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORM TECHNOLOGIES LIMITED
(CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

STORM TECHNOLOGIES LIMITED

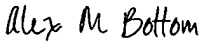
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORM TECHNOLOGIES LIMITED
(CONTINUED)

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.

DocuSigned by:


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Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 27-09-2024 | 11:53 BST

STORM TECHNOLOGIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover	4	107,491,628	126,413,575
Cost of sales		(84,918,531)	103,202,713
Gross profit		22,573,097	23,210,862
Administrative expenses		(21,586,236)	(20,814,753)
Operating profit	5	986,861	2,396,109
Interest receivable and similar income		6,575	2,063
Interest payable and similar expenses	9	(244,410)	(223,486)
Profit before tax		749,026	2,174,686
Tax on profit	10	(436,667)	(470,467)
Profit for the financial year		312,359	1,704,219
Other comprehensive income for the year			
Total comprehensive income for the year		312,359	1,704,219


The notes on pages 19 to 37 form part of these financial statements.

STORM TECHNOLOGIES LIMITED
REGISTERED NUMBER: 03998372

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	1,407,559	1,540,836
Investments	13	89	89
		<u>1,407,648</u>	<u>1,540,925</u>
Stocks	14	1,539,852	1,506,643
Debtors: amounts falling due within one year	15	25,508,060	26,822,657
Cash at bank and in hand	16	241,458	2,251,126
		<u>27,289,370</u>	<u>30,580,426</u>
Creditors: amounts falling due within one year	17	(22,669,274)	(24,923,188)
Net current assets		<u>4,620,096</u>	<u>5,657,238</u>
Total assets less current liabilities		<u>6,027,744</u>	<u>7,198,163</u>
Creditors: amounts falling due after more than one year	18	(2,373,580)	(3,854,370)
Provisions for liabilities			
Deferred tax	21	(51,693)	(53,681)
Other provisions	22	(826,790)	(826,790)
		<u>(878,483)</u>	<u>(880,471)</u>
Net assets		<u><u>2,775,681</u></u>	<u><u>2,463,322</u></u>
Capital and reserves			
Called up share capital	23	77	77
Profit and loss account	24	2,775,604	2,463,245
		<u>2,775,681</u>	<u>2,463,322</u>

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

Signed by:

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.....
Mr J Brooker
 Director

Date: 27-09-2024 | 10:31 BST

The notes on pages 19 to 37 form part of these financial statements.

STORM TECHNOLOGIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	77	2,559,026	2,559,103
Comprehensive income for the year			
Profit for the year	-	1,704,219	1,704,219
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,704,219	1,704,219
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,800,000)	(1,800,000)
Total transactions with owners	-	(1,800,000)	(1,800,000)
At 1 January 2023	77	2,463,245	2,463,322
Comprehensive income for the year			
Profit for the year	-	312,359	312,359
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	312,359	312,359
Total transactions with owners	-	-	-
At 31 December 2023	77	2,775,604	2,775,681

The notes on pages 19 to 37 form part of these financial statements.

STORM TECHNOLOGIES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	312,359	1,704,219
Adjustments for:		
Depreciation of tangible assets	394,577	406,061
Loss on disposal of tangible assets	34,904	27,646
Interest paid	244,410	223,486
Interest received	(6,575)	(2,063)
Taxation charge	436,667	470,467
(Increase)/decrease in stocks	(33,209)	1,569,178
Decrease/(increase) in debtors	3,437,324	(361,530)
(Increase) in amounts owed by groups	(2,055,199)	(1,096,638)
(Increase)/decrease in amounts owed by associates	(67,528)	-
(Decrease) in creditors	(23,107)	(297,436)
Increase in provisions	-	826,790
Corporation tax (paid)	(281,930)	(301,183)
Net cash generated from operating activities	2,392,693	3,168,997
Cash flows from investing activities		
Purchase of tangible fixed assets	(304,206)	(272,707)
Sale of tangible fixed assets	8,002	321
Purchase of fixed asset investments	-	(89)
Interest received	6,575	2,063
HP interest paid	(16,373)	(21,429)
Net cash from investing activities	(306,002)	(291,841)
Cash flows from financing activities		
Repayment of loans	(1,571,300)	(1,268,314)
Repayment of/new finance leases	(13,862)	(177,927)
Movements on invoice discounting	(2,283,160)	(531,416)
Dividends paid	-	(1,800,000)
Interest paid	(228,037)	(202,057)
Net cash used in financing activities	(4,096,359)	(3,979,714)
Net (decrease) in cash and cash equivalents	(2,009,668)	(1,102,558)
Cash and cash equivalents at beginning of year	2,251,126	3,353,684
Cash and cash equivalents at the end of year	241,458	2,251,126

STORM TECHNOLOGIES LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	241,458	2,251,126
	<u>241,458</u>	<u>2,251,126</u>
	<u><u>241,458</u></u>	<u><u>2,251,126</u></u>

The notes on pages 19 to 37 form part of these financial statements.

STORM TECHNOLOGIES LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	2,251,126	(2,009,668)	241,458
Debt due after 1 year	(3,686,922)	1,449,678	(2,237,244)
Debt due within 1 year	(252,923)	121,622	(131,301)
Finance leases	(343,226)	13,862	(329,364)
	<u>(2,031,945)</u>	<u>(424,506)</u>	<u>(2,456,451)</u>

The notes on pages 19 to 37 form part of these financial statements.

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

Storm Technologies Limited is a private company incorporated in England and Wales. The registered office is Unit 2 Boulevard, Blackmoor Lane, Croxley Business Park, Watford, Hertfordshire, WD18 8YW.

The principal activity of the company is that of an IT reseller.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors of the company have concluded that there are no material uncertainties that may cast doubt on the company's ability to continue as a going concern. Consequently, the directors have prepared these financial statements on a going concern basis.

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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Finance Leases: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 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.

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

STORM TECHNOLOGIES LIMITED

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

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, on a reducing balance basis.

Depreciation is provided on the following basis:

Short-term leasehold property	- 15.5% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Office equipment	- 25-50% reducing balance

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.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less 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 weighted average 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.

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

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.

2.17 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.18 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.18 Financial instruments (continued)

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.19 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

The recoverability of trade debtors has been assessed as at the year end and up until the date of signing these financial statements. Management have based the decision to provide for any amounts based on their judgement of all the available information, and their experience of the specific nature of trade debtor in question.

Stock is included as per the accounting policy set out above. Management have assessed the need to write off or provide against any specific items based on the levels held at year end, and the expected sales of such items in the immediate period post year end.

4. Turnover

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	102,253,676	113,569,972
European Union	4,305,009	10,269,180
Rest of the world	932,943	2,574,423
	<u>107,491,628</u>	<u>126,413,575</u>

5. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Exchange differences	(24,350)	(84,992)
Other operating lease rentals	812,561	1,008,913
	<u>812,561</u>	<u>1,008,913</u>

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor and its associates:

	2023 £	2022 £
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	<u>28,400</u>	<u>27,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	13,986,032	13,962,804
Social security costs	1,798,475	1,895,688
Cost of defined contribution scheme	390,287	325,188
	<u>16,174,794</u>	<u>16,183,680</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Employees	<u>209</u>	<u>205</u>

STORM TECHNOLOGIES LIMITED

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

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	1,243,195	1,338,673
Company contributions to defined contribution pension schemes	47,371	24,650
	<u>1,290,566</u>	<u>1,363,323</u>

During the year retirement benefits were accruing to 4 directors (2022 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £472,808 (2022 - £519,422).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,000 (2022 - £6,417).

9. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	217,769	200,209
Finance leases and hire purchase contracts	16,373	21,429
Other interest payable	10,268	1,848
	<u>244,410</u>	<u>223,486</u>

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	438,655	569,148
Adjustments in respect of previous periods	-	(7,765)
	<u>438,655</u>	<u>561,383</u>
Total current tax	<u>438,655</u>	<u>561,383</u>
Deferred tax		
Origination and reversal of timing differences	(1,988)	(90,916)
Total deferred tax	<u>(1,988)</u>	<u>(90,916)</u>
Taxation on profit on ordinary activities	<u>436,667</u>	<u>470,467</u>

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>749,026</u>	<u>2,174,686</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	176,021	413,190
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	253,324	170,872
Capital allowances for year in excess of depreciation	19,109	18,826
Adjustments to tax charge in respect of prior periods	-	(7,765)
Short-term timing difference leading to an increase (decrease) in taxation	(1,988)	(90,916)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(61,697)
Changes in provisions leading to an increase (decrease) in the tax charge	(10,020)	28,285
Other differences leading to an increase (decrease) in the tax charge	221	(328)
Total tax charge for the year	<u><u>436,667</u></u>	<u><u>470,467</u></u>

11. Dividends

	2023 £	2022 £
Dividends paid	<u><u>-</u></u>	<u><u>1,800,000</u></u>

STORM TECHNOLOGIES LIMITED

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

12. Tangible fixed assets

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2023	1,994,977	156,406	663,551	1,182,354	3,997,288
Additions	823	-	27,674	275,709	304,206
Disposals	-	(21,723)	-	(125,472)	(147,195)
At 31 December 2023	<u>1,995,800</u>	<u>134,683</u>	<u>691,225</u>	<u>1,332,591</u>	<u>4,154,299</u>
Depreciation					
At 1 January 2023	1,411,376	87,800	283,084	674,192	2,456,452
Charge for the year	102,316	16,204	99,539	176,518	394,577
Disposals	-	(17,935)	-	(86,354)	(104,289)
At 31 December 2023	<u>1,513,692</u>	<u>86,069</u>	<u>382,623</u>	<u>764,356</u>	<u>2,746,740</u>
Net book value					
At 31 December 2023	<u>482,108</u>	<u>48,614</u>	<u>308,602</u>	<u>568,235</u>	<u>1,407,559</u>
At 31 December 2022	<u>583,601</u>	<u>68,606</u>	<u>380,467</u>	<u>508,162</u>	<u>1,540,836</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Land and buildings	10,830	10,830
Office equipment	427,488	427,488
	<u>438,318</u>	<u>438,318</u>

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	89
At 31 December 2023	<u>89</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Storm Technologies B.V.	Donauweg 10, 1043 AJ Amsterdam, Netherlands	Ordinary	100%
Storm Technologies Limited Magyarországi Flóktelepe	Váci út 99-105. BalanceHall. ép. IV. em., 1139,	Ordinary	100%%
Storm IT Limited	1501 S. MoPac Expy,Suite 220, Austin, TX78746, USA	Ordinary	100%%

14. Stocks

	2023 £	2022 £
Finished goods and goods for resale	<u>1,539,852</u>	<u>1,506,643</u>

15. Debtors

	2023 £	2022 £
Trade debtors	9,253,653	12,950,117
Amounts owed by group undertakings	14,831,700	12,776,501
Amounts owed by participating interests	67,528	-
Other debtors	547,300	667,315
Prepayments and accrued income	807,879	428,724

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. Debtors (continued)

	25,508,060	26,822,657
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16. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	241,458	2,251,126
	241,458	2,251,126

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	131,301	252,923
Trade creditors	10,554,461	9,515,078
Corporation tax	297,191	140,466
Other taxation and social security	891,142	881,402
Obligations under finance lease and hire purchase contracts	193,028	175,778
Invoice discounting	9,017,056	11,300,216
Other creditors	65,672	47,084
Accruals and deferred income	1,519,423	2,610,241
	<u>22,669,274</u>	<u>24,923,188</u>

The following liabilities were secured:

	2023 £	2022 £
Invoice discounting	9,017,056	11,300,216
Finance lease and hire purchase contracts	329,364	343,226
Bank loan	2,368,545	3,939,845
	<u>11,714,965</u>	<u>15,583,287</u>

Details of security provided:

The Company's invoice discounting facility provider holds a debenture granting them a fixed charge over all the fixed assets and stock held by the company. Storm Technologies Group Limited, the company's parent Company is guarantor of the company's invoice discounting obligations.

Hire purchase contracts and finance lease liabilities are secured over the assets that they fund.

The bank loan is secured by a fixed a floating charge over all assets of the company.

A debenture exists between the company and Storm Technologies Group Limited to give the loan provider a fixed charge over the freehold property of Storm Technologies Group Limited.

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

	2023 £	2022 £
Bank loans	2,237,244	3,686,922
Net obligations under finance leases and hire purchase contracts	136,336	167,448
	<u>2,373,580</u>	<u>3,854,370</u>

19. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	131,301	252,923
Amounts falling due 1-2 years		
Bank loans	131,301	252,923
Amounts falling due 2-5 years		
Bank loans	393,902	758,769
Amounts falling due after more than 5 years		
Bank loans	1,712,041	2,675,230
	<u>2,368,545</u>	<u>3,939,845</u>

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	193,028	175,778
Between 1-5 years	136,336	167,448
	<u>329,364</u>	<u>343,226</u>

STORM TECHNOLOGIES LIMITED

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

21. Deferred taxation

	2023 £	2022 £
At beginning of year	(53,681)	(144,597)
Charged to profit or loss	1,988	90,916
At end of year	(51,693)	(53,681)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(178,404)	(191,051)
Pension surplus	7,111	7,311
General provisions	119,600	130,059
	(51,693)	(53,681)

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

22. Provisions

	2022 £
At 1 January 2023	826,790
At 31 December 2023	826,790

In accordance with prudent financial reporting practices, a provision has been established in the financial statements. This provision reflects the company's commitment to transparent and conservative financial management.

23. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
770 (2022 - 770) Ordinary shares of £0.10 each	77	77

24. Reserves**Profit and loss account**

Profit and loss account includes all current and prior period retained profits and losses.

25. Contingent liabilities

HMRC have opened an investigation into the current VAT treatment on exports and have assessed an additional liability of £918,692. The Directors are confident that the current treatment is correct and the supporting evidence required is maintained so they are taking HMRC to tribunal, the outcome of which is uncertain. Advice obtained indicates that it is unlikely that any significant liability will arise. The Directors are of the view that no material losses will arise in respect of the investigation at the date of these financial statements.

26. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £390,287 (2022: £325,188). Contributions totalling £65,123 (2022: £45,863) were payable to the fund at the balance sheet date and are included in creditors.

STORM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

27. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	383,112	320,000
Later than 1 year and not later than 5 years	857,482	960,000
Later than 5 years	-	133,333
	<u>1,240,594</u>	<u>1,413,333</u>

28. Transactions with directors

J Brooker, a director during the year, owes £nil (2022: £1,238) to the Company at the year end.

29. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent company. Copies of the consolidated financial statements are available from the registered office.

During the financial year, the Company entered into transactions with other related parties on normal market terms:

	2023 £	2022 £
Sales to other related parties	212,862	496,270
Management charge to other related parties	-	194,580
Owed by other related parties at the year end	99,183	156,827
	<u>99,183</u>	<u>156,827</u>

30. Controlling party

The immediate and ultimate parent company is Storm Technologies Group Limited, registered at 2, The Boulevard, Blackmoor Lane, Croxley Business Park, Watford, Hertfordshire, WD18 8YW. The ultimate controlling parties are J Brooker and S Brooker by virtue of their majority shareholding.