

S.B.E. LTD.

COMPANY INFORMATION

Directors	S Lambert H Beseme M Rattu
Secretary	A Loan
Company number	03203217
Registered office	5th Floor Ashford Commercial Quarter 1 Dover Place Ashford Kent United Kingdom TN23 1FB
Auditor	Azets 5th Floor Ashford Commercial Quarter 1 Dover Place Ashford Kent United Kingdom TN23 1FB
Business address	Unit 1a Beaver Road Industrial Estate Beaver Road Ashford Kent United Kingdom TN23 7SH
Bankers	National Westminster Bank plc 11 The Parade Canterbury Kent United Kingdom CT1 2SQ

S.B.E. LTD.

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S.B.E. LTD.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Fair Review of the Business and Business Development

Portfolio of products keeps growing with payment terminals as the latest addition. This marks our entry into different segment altogether. This sits in nicely with our distribution services which were launched previous year and now we have a fully functional and operational warehouse dedicated to distribution activities.

We are now fully established on high street working out of our partner's high street locations and completing the missing puzzle on full product lifecycle. We now offer full end to end journey starting with taking products to the market and then brining back and full lifecycle management.

Addition of new parent company portfolio has opened new untapped opportunities where now we are offering full CPE products lifecycle management with a highly automated process so it's not just a new service offering but an enhanced serving offering which is already highly efficient and offer huge volumetric capabilities.

Increasing energy costs has resulted in staff costs going up which has impacted our ability to retain the staff linked to record increase in COI. Business remains stable but staff turnover is high with such numbers never seen before. High street staff turnover is much higher than the base staff turnover which can be explained due to the volatile nature of high streets. Minimum wages going up will leave another huge mark, but as always contractual obligations are in place with current partners which will reduce the overall impact on business.

IT solutions are now more AI linked and we are taking lead in developing and delivering the solutions and this year will bring more unthinkable solutions to the marketplace which were simply dreams up to now, but AI has made this a possibility. Our whole IT offering will have huge AI influence which is where we see the major technology drive, and this will dictate the future as the technology we know is all going to change with quick decision fast responses being just the few benefits available.

Principal risks and uncertainties

Volatility in the energy market remains the major concern as high utility bills have destabilised whole staff retention with short term gains playing a bigger picture against stability and enhanced staff retention programs. Challenge is real and it's reflecting everywhere.

New technological advances especially AI is opening new doors of opportunities, but risk remains if relying too much on the new technology can disturb the whole equilibrium of excellent service delivery and technological superiority.

Spare part shortages are still visible and affecting our ability to deliver to the standard we are committing to but all known facts and all spares are controlled and directly provided by OEM so our management remains limited, but risk remains if this gets destabilised further.

Development and performance

It is important to note that the net assets has fallen from £8.90m to £8.84m.

S.B.E. LTD.

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Key performance indicators

Turnover decreased from £40m to £38.6m.

Profit before tax decreased from £1.1m to £535k resulting directly from an increase in inflation, utilities and decrease in volume.

The company's net assets decreased from £8.90m to £8.84m over the year.

Company paid out a dividend of £500k during the year. The directors are again proposing an interim dividend of £500,000 for the year ended 31 December 2024.

Staff numbers decreased this year with an average of 320 employed during 2023 (2022: 329).

Financial Risk Management:

Liquidity Risk:

The company manages liquidity risk by maintaining sufficient cash balances. The company operates a system of monthly cashflow forecasting which is monitored weekly.

Credit Risk:

Historically, the company had no significant concentrations of unrecognised credit risk. The current economic climate has heightened risk awareness and, as far as possible, the company monitors the financial wellbeing of potential clients. It operates an efficient credit control system, reflected in having no doubtful debt provisions. This is monitored monthly to ensure risks are managed to a minimal level.

Foreign Exchange Risk:

As a result of operations including cross border transactions, the company has financial assets and liabilities denominated in foreign currencies. The majority of financial assets and liabilities, however, relate to the UK operations and are denominated in GBP. The company's operation means that ongoing currency risk exists. The company has a policy of minimising its foreign currency cash and equivalent holdings and is constantly seeking ways to mitigate exchange risk.

S.B.E. LTD.

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

In line with the revised governance code, this statement summarises how the Directors have exercised their duties with regard to the matters set out in Section 172(a to f) of the Companies Act 2006, and how they have considered the interests of key stakeholders as they perform their duties as Directors.

General Confirmation of Directors' duties

The Directors are responsible for promoting the success of the Company. The Directors fulfill these duties in part through a governance framework, with clear expectation of the values and behaviours that the Directors are expected to uphold when engaging with each one of its key stakeholders.

Engagement with stakeholders is a key responsibility of those charged with governance. When making decisions and engaging with stakeholder, each director is expected to act in good faith, promoting S.B.E. Ltd's values for the benefit and success of its members as a whole. In so doing, the Directors are mindful of the following areas.

S172(1) (A) "The likely consequences of any decision in the long term"

The board tries to remain mindful of the long-term implications of its strategic decisions, and carefully assesses those decisions and the repercussions of those decisions. The long-term strategy of S.B.E. Ltd is all at the forefront of the Directors minds, as the Company seeks to deliver the most cost effective, efficient and innovative solutions to our customers, and decisions are made to enable this strategy to become reality.

S172(1) (B) "The interests of the company's employees"

The Directors believe that its staff are fundamental to the company's ability to deliver its strategic plans, and are key to the ultimate success of the company. S.B.E. Ltd is committed to its staff, which is demonstrated through employee long service and customer satisfaction. The board is updated regularly on regulatory matters such as Health & Safety, diversity, gender equality and mental health resources, and ensure that pay and benefits reflect the contribution made by employees. Employees are kept up to date with company and wider Group strategies, performance and news.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

The board is conscious that to realise S.B.E. Ltd's strategy it needs to rely on strong mutually beneficial relationships with its customers and many other key shareholders.

The board is briefed on major contract negotiations with key customers. Relationships with customers are open, honest and collaborative, and parties are kept up to date through regular meetings. Business unit heads provide regular updates to the board on performance and client focus areas which provide the board with insights into any areas of concern for customers. The servicing and retention of all customers continues to be a key focus area for the Company as well as continuing to deliver to our customers expectations.

The Finance Manager (FM) manages the relationship with the bank and insurers, as well as having responsibility for the Company's cash management and financing activities. The FM provides regular reports to the Board on these activities.

The board promotes all-embracing compliance with relevant regulatory bodies and strives for best practice in both regards. S.B.E. Ltd maintains its tax records proactively to comply with all legislation, engaging with HMRC when required and seeking tax advice from qualified tax professionals. Similarly, legal advice is sought from qualified legal professionals when required.

S.B.E. LTD.

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

S172(1) (D) "The impact of the company's operations on the community and the environment"

The board is committed to giving back to the communities in which it operates, actively supporting local communities and charities. The board also supports the Operational Team as it complies with environmental reporting requirements and seeks to reduce adverse effects on the environment as the company develops and plans to grow further.

S172(1) (E) "The desirability of the company maintaining a high reputation for high standards of business conduct"

The Directors are informed and monitor compliance with relevant governance standards to ensure that S.B.E. Ltd acts in ways that promote high standards of business conduct.

S172(1) (F) "The need to act fairly as between members of the company"

The Directors recognise that there can be conflicts in interest of differing stakeholders which the board members must negotiate carefully. Decisions are made by the board after carefully weighing up all factors and arriving at an impartial decision which benefits the company and wider group and its overall strategy as a whole, not just one element. The board takes care to consider the needs and interests of all stakeholders, and the impact that any decision they make will have thereon.

As such, the board is actively engaged with its shareholders and understands the importance of the communication of company strategy and direction to all of its shareholders, holding regular board meetings to ensure that all shareholders remain fully informed.

On behalf of the board

H Beseme
Director

2 April 2024

S.B.E. LTD.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Principal activities

The principal activity of the company was that of the provision of maintenance and logistical services to the electronics industry.

Results and dividends

The results for the year are set out on page 11.

Dividends were paid in 2023 amounting to £500,000. The directors do not recommend payment of a final dividend. The directors are again proposing an interim dividend of £500,000 for the year ended 31 December 2024.

Directors

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

P Y Beseme	(Resigned 7 July 2023)
S Lambert	
H Beseme	
M Rattu	

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged.

It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Energy and carbon report

The Company is deemed to be a large company as determined by sections 465 and 466 of the Companies Act 2006 and consumes more than 40,000kWh of energy (in the UK) during the reporting period and therefore must report the following energy data:

	2023 kWh	2022 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	143,812	159,491
- Electricity purchased	602,819	675,154
- Fuel consumed for transport	55,402	62,678
	802,033	897,323

S.B.E. LTD.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	metric	metric
<i>Emissions of CO2 equivalent</i>	tonnes	tonnes
Scope 1 - direct emissions		
- Gas combustion	28.76	29.27
- Fuel consumed for owned transport	-	-
	28.76	29.27
Scope 2 - indirect emissions		
- Electricity purchased	124.83	155.99
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Company	15.00	16.70
Total gross emissions	168.59	201.96
<i>Intensity ratio</i>		
Tonnes CO2e per full-time employee	0.53	0.61

Quantification and reporting methodology

We have followed the 2020 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per full time staff member, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The following measures have been introduced

- Automatic AC Turn off after closing
- LED Lighting
- Heating timed on and off
- Using public transport for long journeys
- Getting hybrid cars for car sharing and travelling

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

H Beseme
Director

2 April 2024

S.B.E. LTD.

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

S.B.E. LTD.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S.B.E. LTD.

Opinion

We have audited the financial statements of S.B.E. LTD. (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

S.B.E. LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF S.B.E. LTD.

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

S.B.E. LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF S.B.E. LTD.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 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.

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.

Robert Reynolds
Senior Statutory Auditor
For and behalf of Azets Audit Services Limited

29 April 2024

Chartered Accountants
Statutory Auditor

5th Floor
Ashford Commercial Quarter
1 Dover Place
Ashford
Kent
United Kingdom
TN23 1FB

S.B.E. LTD.**STATEMENT OF COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	38,621,197	40,060,911
Cost of sales		(31,721,123)	(33,236,310)
Gross profit		6,900,074	6,824,601
Administrative expenses		(6,439,137)	(5,991,398)
Operating profit	4	460,937	833,203
Interest receivable and similar income	8	84,616	287,507
Interest payable and similar expenses	9	(10,563)	(18,579)
Profit before taxation		534,990	1,102,131
Tax on profit	10	(119,522)	(133,705)
Profit for the financial year		415,468	968,426

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

S.B.E. LTD.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		534,597		611,061
Investments	13		6,242		6,242
			<u>540,839</u>		<u>617,303</u>
Current assets					
Stocks	15	3,444,813		3,961,922	
Debtors	16	6,969,277		7,580,223	
Cash at bank and in hand		994,702		2,158,463	
		<u>11,408,792</u>		<u>13,700,608</u>	
Creditors: amounts falling due within one year	17	<u>(3,030,808)</u>		<u>(5,327,556)</u>	
Net current assets			<u>8,377,984</u>		<u>8,373,052</u>
Total assets less current liabilities			<u>8,918,823</u>		<u>8,990,355</u>
Provisions for liabilities					
Deferred tax liability	18	<u>100,000</u>	<u>(100,000)</u>	<u>87,000</u>	<u>(87,000)</u>
Net assets			<u><u>8,818,823</u></u>		<u><u>8,903,355</u></u>
Capital and reserves					
Called up share capital	20		10,000		10,000
Profit and loss reserves	21		<u>8,808,823</u>		<u>8,893,355</u>
Total equity			<u><u>8,818,823</u></u>		<u><u>8,903,355</u></u>

The financial statements were approved by the board of directors and authorised for issue on 2 April 2024 and are signed on its behalf by:

H Beseme

Director

Company Registration No. 03203217

S.B.E. LTD.**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2022		10,000	8,424,929	8,434,929
Year ended 31 December 2022:				
Profit and total comprehensive income for the year		-	968,426	968,426
Dividends	11	-	(500,000)	(500,000)
Balance at 31 December 2022		10,000	8,893,355	8,903,355
Year ended 31 December 2023:				
Profit and total comprehensive income for the year		-	415,468	415,468
Dividends	11	-	(500,000)	(500,000)
Balance at 31 December 2023		10,000	8,808,823	8,818,823

S.B.E. LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	25	(526,398)		(233,607)	
Interest paid		(10,563)		(18,579)	
Income taxes paid		(71,889)		(140,000)	
Net cash outflow from operating activities		(608,850)		(392,186)	
Investing activities					
Purchase of tangible fixed assets		(139,527)		(401,431)	
Interest received		29,551		5,497	
Dividends received		55,065		282,010	
Net cash used in investing activities		(54,911)		(113,924)	
Financing activities					
Dividends paid		(500,000)		(500,000)	
Net cash used in financing activities		(500,000)		(500,000)	
Net decrease in cash and cash equivalents		(1,163,761)		(1,006,110)	
Cash and cash equivalents at beginning of year		2,158,463		3,164,573	
Cash and cash equivalents at end of year		994,702		2,158,463	

S.B.E. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

S.B.E. LTD. is a private company limited by shares incorporated in England and Wales. The registered office is 5th Floor, Ashford Commercial Quarter, 1 Dover Place, Ashford, Kent, United Kingdom, TN23 1FB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company does not prepare consolidated accounts for the financial period, as the company has no investments in subsidiaries as at the year end.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources for the period ahead and, at the time of approving the financial statements, the directors have a reasonable expectation that the company will remain in operation existence for the foreseeable future and, as a minimum, for a period of at least 12 months from the date of approval of these financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over the lease term
Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	Furniture 15% reducing balance. Equipment 20% reducing balance. Computers 33% straight line.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

S.B.E. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Fixed asset investments

Interests in associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks (which includes raw materials and consumables and work in progress) are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position 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.

S.B.E. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of 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 deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

S.B.E. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

1.13 Retirement benefits

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

S.B.E. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
Turnover analysed by class of business		
Maintenance and logistical services	38,621,197	40,060,911
	<u>38,621,197</u>	<u>40,060,911</u>
	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	37,076,349	38,458,475
Europe	1,158,636	1,201,827
Rest of the world	386,212	400,609
	<u>38,621,197</u>	<u>40,060,911</u>

S.B.E. LTD.**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****3 Turnover and other revenue (Continued)**

	2023	2022
	£	£
Other revenue		
Interest income	29,551	5,497
Dividends received	55,065	282,010
	<u> </u>	<u> </u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging:		
Exchange losses	25,694	9,255
Depreciation of owned tangible fixed assets	215,991	197,891
Operating lease charges	335,520	330,760
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	45,575	30,395
	<u> </u>	<u> </u>
For other services		
All other non-audit services	3,548	1,215
	<u> </u>	<u> </u>

6 Employees

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

	2023	2022
	Number	Number
Production	256	263
Administration	64	66
	<u> </u>	<u> </u>
Total	320	329
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	7,817,984	7,563,277
Social security costs	709,976	684,150
Pension costs	201,452	188,572
	<u> </u>	<u> </u>
	8,729,412	8,435,999
	<u> </u>	<u> </u>

S.B.E. LTD.**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****7 Directors' remuneration**

	2023	2022
	£	£
Remuneration for qualifying services	215,000	202,259
Company pension contributions to defined contribution schemes	21,500	19,975
	<u>236,500</u>	<u>222,234</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

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

	2023	2022
	£	£
Remuneration for qualifying services	215,000	202,259
Company pension contributions to defined contribution schemes	21,500	19,975
	<u>236,500</u>	<u>222,234</u>

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	29,551	5,497
Income from fixed asset investments		
Income from shares in group undertakings	55,065	282,010
Total income	<u>84,616</u>	<u>287,507</u>

	2023	2022
	£	£
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	29,551	5,497

9 Interest payable and similar expenses

	2023	2022
	£	£
Other finance costs:		
Other interest	10,563	18,579

10 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	106,522	90,705

S.B.E. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Taxation (Continued)

	2023 £	2022 £
Deferred tax		
Origination and reversal of timing differences	13,000	43,000
	<u> </u>	<u> </u>
Total tax charge	119,522	133,705
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	534,990	1,102,131
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 23.50 % (2022: 19.00%)	125,723	209,405
Expenses not deductible for tax purposes	955	2,299
Impact of capital allowances in excess of depreciation	11,502	(67,417)
Deferred tax movement	13,000	43,000
Dividend income	(12,940)	(53,582)
Adjustment in respect of a prior year	(18,718)	-
	<u> </u>	<u> </u>
Taxation charge for the year	119,522	133,705
	<u> </u>	<u> </u>

11 Dividends

	2023 £	2022 £
Interim paid	500,000	500,000
	<u> </u>	<u> </u>

S.B.E. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2023	1,226,225	1,112,733	1,365,052	3,704,010
Additions	31,447	34,384	73,696	139,527
At 31 December 2023	1,257,672	1,147,117	1,438,748	3,843,537
Depreciation and impairment				
At 1 January 2023	1,221,582	830,902	1,040,465	3,092,949
Depreciation charged in the year	16,450	69,083	130,458	215,991
At 31 December 2023	1,238,032	899,985	1,170,923	3,308,940
Carrying amount				
At 31 December 2023	19,640	247,132	267,825	534,597
At 31 December 2022	4,643	281,831	324,587	611,061

13 Fixed asset investments

	Notes	2023 £	2022 £
Investments in associates	14	6,242	6,242

14 Associates

Details of the company's associates at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
S B E (Canada) Limited	2300 Hogan Drive, Mississauga, ON, L5N 0C8.	Delivering expertise in the Ordinary field of reserve logistics for the mobile industry	Ordinary	20.00	-
S B E USA Inc	108 Security Pkwy, New Albany, IN 47150	Delivering expertise in the Ordinary field of reserve logistics for the mobile industry	Ordinary	-	20.00

The investments in associates are all stated at cost.

S.B.E. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

15 Stocks

	2023 £	2022 £
Raw materials and consumables	3,167,006	3,613,418
Work in progress	277,807	348,504
	<u>3,444,813</u>	<u>3,961,922</u>

16 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	6,680,503	7,279,320
Amounts owed by undertakings in which the company has a participating interest	32,114	26,375
Other debtors	18,297	7,900
Prepayments and accrued income	238,363	266,628
	<u>6,969,277</u>	<u>7,580,223</u>

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	2,075,526	3,318,778
Amounts owed to group undertakings	303,949	471,346
Corporation tax	45,241	10,608
Other taxation and social security	437,499	561,083
Other creditors	40,453	184,669
Accruals and deferred income	128,140	781,072
	<u>3,030,808</u>	<u>5,327,556</u>

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
ACAs	108,000	93,000
Unpaid pension contributions	(8,000)	(6,000)
	<u>100,000</u>	<u>87,000</u>

S.B.E. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

18 Deferred taxation (Continued)

	2023 £
Movements in the year:	
Liability at 1 January 2023	87,000
Charge to profit or loss	13,000
Liability at 31 December 2023	<u>100,000</u>

Deferred tax is carried at the latest known corporation tax rate which is 25% as at 31 December 2023.

19 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>201,452</u>	<u>188,572</u>

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

20 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

21 Profit and loss reserves

	2023 £	2022 £
At the beginning of the year	8,893,355	8,424,929
Profit for the year	415,468	968,426
Dividends declared and paid in the year	<u>(500,000)</u>	<u>(500,000)</u>
At the end of the year	<u>8,808,823</u>	<u>8,893,355</u>

S.B.E. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

22 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties and equipment. Leases are negotiated for an average term of 5 years and rentals are fixed for an average of 5 years.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	313,225	304,993
Between two and five years	706,030	307,543
	<u>1,019,255</u>	<u>612,536</u>

23 Related party transactions

Transactions with related parties

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

The company made sales of £88,866 (2023: £666) to S.B.E. France, an entity under group control.

At the year end, the company was owed £71,316 by S.B.E. France (2022: £471,346 owed to S.B.E. France).

The company made sales of £100,312 (2022: £132,739) to SBE (Canada) Limited, an entity where the company holds significant influence.

As at the year end, the company was owed £32,114 (2022: £26,375) by SBE (Canada) Limited.

The company made sales of £nil (2022: (£14)) to S.B.E. Polska Sp. z o.o., an entity under group control.

As at the year end, the company was owed £nil (2022: £nil) by S.B.E. Polska Sp. z o.o.

The company made sales of £528,635 (2022: £nil) to SBE Global Services, an entity under group control.

As at the year end, the company owed £375,264 (2022: £nil) to SBE Global Services.

The company has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions entered into between two or more members of a group, where the subsidiary which is party to the transactions is wholly owned by such a member.

S.B.E. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Ultimate controlling party

The immediate parent undertaking is S.B.E S.A, a company registered in France. The ultimate parent undertaking at the balance sheet date is Cordon Group S.A.S, also registered in France. The ultimate controlling party is considered to be Mr. S. Cordon who directly and indirectly holds the majority of the share capital in Cordon Group S.A.S.

The accounts of the ultimate parent undertaking, which is the largest group into which the accounts of S.B.E Limited are consolidated, are available to the public at 14 Rue de la Violette, 22100, Quévert, France.

25 Cash absorbed by operations

	2023 £	2022 £
Profit for the year after tax	415,468	968,426
Adjustments for:		
Taxation charged	119,522	133,705
Finance costs	10,563	18,579
Investment income	(84,616)	(287,507)
Depreciation and impairment of tangible fixed assets	215,991	197,891
Movements in working capital:		
Decrease/(increase) in stocks	517,109	(1,106,955)
Decrease/(increase) in debtors	610,946	(1,052,037)
(Decrease)/increase in creditors	(2,331,381)	894,291
Cash absorbed by operations	(526,398)	(233,607)

26 Analysis of changes in net funds

	1 January 2023 £	Cash flows £	31 December 2023 £
Cash at bank and in hand	2,158,463	(1,163,761)	994,702

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.