

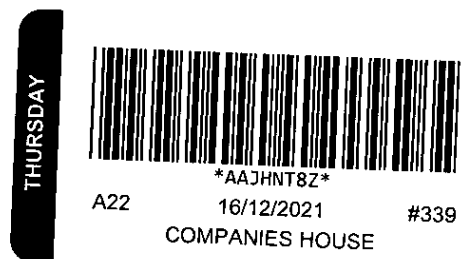
Registered number: 02541365

SEVEN TELEMATICS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020



SEVEN TELEMATICS LIMITED

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SEVEN TELEMATICS LIMITED

COMPANY INFORMATION

Directors I D McAllister
A Shaw
J Sumner (resigned 1 March 2021)
A W Overton

Registered number 02541365

Registered office 36 Queensbridge
Northampton
NN4 7BF

SEVEN TELEMATICS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the period ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing 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;
- 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.

Principal activity

The principal activity of the Company continued to be that of the production of temperature monitoring industrial instrumentation, together with asset tracking solutions.

Directors

The directors who served during the period were:

I D McAllister
A Shaw
J Sumner (resigned 1 March 2021)
A W Overton

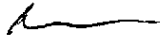
Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

SEVEN TELEMATICS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

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



A Shaw
Director

Date: 14 December 2021

SEVEN TELEMATICS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover		4,278	4,874
Cost of sales		(2,648)	(2,208)
Gross profit		1,630	2,666
Administrative expenses		(1,982)	(2,922)
Adjusted EBITDA*		458	317
Exceptional administrative expenses		(594)	(415)
Depreciation expense		(44)	(23)
Intangible amortisation		(172)	(135)
Loss on ordinary activities before interest		(352)	(256)
Interest payable and expenses	4	(8)	(25)
Loss before tax		(360)	(281)
Tax on loss	5	3	(15)
Loss for the financial period		(357)	(296)
Total comprehensive income for the period		(357)	(296)

The notes on pages 8 to 18 form part of these financial statements.

* Earnings before interest, tax, depreciation and amortisation and adjusted for exceptional administrative expenses.

SEVEN TELEMATICS LIMITED
REGISTERED NUMBER: 02541365

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	31 December 2020 £	30 September 2019 £
Fixed assets			
Intangible assets	7	1,092	1,236
Tangible assets	8	-	41
		<u>1,092</u>	<u>1,277</u>
Current assets			
Stocks		200	348
Debtors: amounts falling due within one year	9	3,356	4,066
Cash at bank and in hand	10	92	208
		<u>3,648</u>	<u>4,622</u>
Creditors: amounts falling due within one year	11	(863)	(1,544)
Net current assets		<u>2,785</u>	<u>3,078</u>
Total assets less current liabilities		<u>3,877</u>	<u>4,355</u>
Provisions for liabilities			
Deferred tax	12	-	(121)
		<u>-</u>	<u>(121)</u>
Net assets		<u><u>3,877</u></u>	<u><u>4,234</u></u>
Capital and reserves			
Other reserves	13	1,900	1,900
Profit and loss account	13	1,977	2,334
		<u>3,877</u>	<u>4,234</u>

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

SEVEN TELEMATICS LIMITED
REGISTERED NUMBER: 02541365

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16/12/21



A Shaw
Director

The notes on pages 8 to 18 form part of these financial statements.

SEVEN TELEMATICS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Other reserves £	Profit and loss account £	Total equity £
At 1 October 2018	-	2,630	2,630
Comprehensive income for the year			
Loss for the year	-	(296)	(296)
Total comprehensive income for the year	-	(296)	(296)
Capital contribution	1,900	-	1,900
Total transactions with owners	1,900	-	1,900
At 1 October 2019	1,900	2,334	4,234
Comprehensive income for the period			
Loss for the period	-	(357)	(357)
Total comprehensive income for the period	-	(357)	(357)
At 31 December 2020	1,900	1,977	3,877

SEVEN TELEMATICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

1. General information

Seven Telematics Limited is a private company, limited by shares, incorporated in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 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'.

2.3 Revenue

Turnover represents the value of goods delivered to the customers during the year and of service charges for communications support provided by the Company.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 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.

2.5 Leased assets: 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.

2.6 Finance costs

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

2.7 Borrowing costs

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

2.8 Pensions

Defined contribution pension plan

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

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

SEVEN TELEMATICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Current and deferred taxation

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

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

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

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

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

2.10 Exceptional items

Exceptional items are transactions that fall outside the ordinary activities of the Company and are presented separately due to their size or incidence.

2.11 Intangible assets

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

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

The estimated useful lives range as follows:

Patents	-	3	years straight line basis
Development expenditure	-	5	years straight line basis

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Plant and machinery	- 2 - 7 years straight line
Fixtures, fittings & equipment	- 3 - 5 years straight line
Computer equipment	- 3 years straight line

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

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

2.13 Stocks

Stocks 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 and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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 the Statement of Comprehensive Income. Reversals of impairment losses are also recognised in the Statement of Comprehensive Income.

2.14 Debtors

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

2.15 Cash and cash equivalents

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

2.16 Creditors

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

SEVEN TELEMATICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.17 Financial instruments**

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the period was 0 (2019 - 31).

SEVEN TELEMATICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

4. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	-	3
Loans from group undertakings	-	15
Finance leases and hire purchase contracts	8	7
	<u>8</u>	<u>25</u>

5. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	(3)	(6)
	<u>(3)</u>	<u>(6)</u>
Total current tax	<u>(3)</u>	<u>(6)</u>
Deferred tax		
Origination and reversal of timing differences	-	21
Total deferred tax	<u>-</u>	<u>21</u>
Taxation on (loss)/profit on ordinary activities	<u>(3)</u>	<u>15</u>

Factors that may affect future tax charges

The Finance Bill 2021 had its third reading on 24 May 2021 and was then considered to be substantively enacted; the Finance Act 2021 receiving Royal Assent on 10 June 2021. This included 25% as the main rate of corporation tax relevant for periods on or after 1 April 2023 to be reflected in gains on any asset sales or timing differences expected to reverse after that date.

SEVEN TELEMATICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

6. Exceptional items

	2020 £	2019 £
Exceptional administrative expenses	594	415
	<u>594</u>	<u>415</u>

In June 2020 the Connexas Holdings Limited group was acquired by AddSecure AB. Exceptional administrative costs were incurred as part of the sale and integration into the wider AddSecure group.

In May 2019, the Connexas Group acquired Seven Telematics Limited. Exceptional administrative expenses were incurred as part of the acquisition and subsequent restructuring of the business.

7. Intangible assets

	Patents £
Cost	
At 1 October 2019	1,394
Additions	28
At 31 December 2020	<u>1,422</u>
Amortisation	
At 1 October 2019	158
Charge for the period on owned assets	172
At 31 December 2020	<u>330</u>
Net book value	
At 31 December 2020	<u>1,092</u>
At 30 September 2019	<u>1,236</u>

SEVEN TELEMATICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

8. Tangible fixed assets

	Plant and machinery etc. £
Cost or valuation	
At 1 October 2019	193
Additions	3
At 31 December 2020	196
Depreciation	
At 1 October 2019	152
Charge for the period on owned assets	44
At 31 December 2020	196
Net book value	
At 31 December 2020	-
At 30 September 2019	41

9. Debtors

	31 December 2020 £	30 September 2019 £
Trade debtors	527	1,137
Amounts owed by group undertakings	2,633	2,385
Other debtors	57	110
Prepayments and accrued income	136	428
Tax recoverable	3	6
	3,356	4,066

SEVEN TELEMATICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

10. Cash and cash equivalents

	31 December 2020 £	30 September 2019 £
Cash at bank and in hand	92	208
	<u>92</u>	<u>208</u>

11. Creditors: Amounts falling due within one year

	31 December 2020 £	30 September 2019 £
Trade creditors	264	804
Amounts owed to group undertakings	476	563
Other taxation and social security	(5)	10
Obligations under finance lease and hire purchase contracts	36	89
Other creditors	39	28
Accruals and deferred income	53	50
	<u>863</u>	<u>1,544</u>

Obligations under finance lease and hire purchase contracts are secured on the underlying assets.

12. Deferred taxation

	2020 £	2019 £
At beginning of year	121	100
Charged to profit or loss	-	21
Utilised in year	(121)	-
At end of year	<u>-</u>	<u>121</u>

SEVEN TELEMATICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

12. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	31 December 2020 £	30 September 2019 £
Accelerated capital allowances	-	190
Tax losses carried forward	-	(69)
	<u>-</u>	<u>121</u>

13. Reserves**Capital redemption reserve**

The capital redemption reserve relates to share capital that has been bought back by the Company.

Profit and loss account

The profit and loss account included all current and prior period retained profits and losses.

14. Contingent liabilities

The directors have confirmed that there were no contingent liabilities as at 31 December 2020 or 30 September 2019.

15. Pension commitments

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £(1,127) (2019 - £26,000).

Contributions totaling £5,000 (2019 - £3,000 were payable to) were due from the scheme at the end of the period and are included in creditors.

16. Related party transactions

The Company has taken advantage of exemptions, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

SEVEN TELEMATICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

17. Controlling party

The Company's immediate parent is Connexas Holdings Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is AddSecure Holdco Limited.

The directors consider the ultimate controlling party is AddSecure Topco AB.