Company registration number 03203217 (England and Wales)

S.B.E. LTD.

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

S.B.E. LTD.

COMPANY INFORMATION

Directors	P Y Beseme 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 HSBC Bank Plc 38 High Street Dartford Kent United Kingdom DA1 1DG

S.B.E. LTD.

CONTENTS

S.B.E. LTD.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair Review of the Business and Business Development
Cost of living crisis has once again pushed the businesses to the edge with constant increase in the energy prices and direct impact on staff wages. We have started investing more in technology based solutions so overall effect can be controlled. Forecast of the economy remains gloomy with cost of living still on rise and energy prices still not under control.

Market conditions remain tough and we aren't expecting any major change in the near future and as such our strategy of diversification and investment in the technology remains the main priority this year.

Staff turnover has been the major challenge in 2022 which is mainly fuelled by cost-of-living crisis and rise in the wages in the local market. We have plans in place to tackle it with more staff incentive programs in place along with enhanced staff benefit package which will help reduce the burden of higher cost of living.

Our local presence in the high street is turning out to be a major success and also it's redefining the strategy of more decentralised repairs for the end users opposed to more centralised repairs. Idea remains to service customer units whilst customer is enjoying a stroll on high street or simply doing some shopping. Take up on the program is in line with the expectations and to date we remain the major after market service provider in UK market providing this service with OEM accreditations for IW devices.

Impact of minimum wages going up by nearly 10% this year will be another major task which will impact whole business model but discussions are ongoing with respective partners to minimise the impact on both business and service delivery. Contractual obligations will be scrutinised to assure all is water tight and any impact can be negated easily.

Principal risks and uncertainties
COVID discussions are still there, and the risk can't be ignored or avoided. We are still equipped with all the right equipment should the situation take a turn for worse, so risk remains and to be managed.

Staff turnover is the major risk as constant rise in cost of living is making staff move to different places even if that means short terms gains for staff but overall this leaves a huge impact in backfilling the position to replace the skillset. Cost of living is a major risk which is creating a lot of challenges. Although we are investing in more technology based solutions but risk remains high which is directly linked to staff turnover and overall costs going up so making business case less viable.

Chip shortage is still having impact on the parts supply but situation is far better than where it was in previous years. Situation is fluid but overall impact is still visible and the overall rise in the spare parts cost can further disturb the supply chain which currently is on recovery path from the rollercoaster it has been on.

Development and performance
It is important to note that the net assets have once again improved from £8.43m to £8.90m.

Key performance indicators
Turnover increased from £36m to £40m.

Operating profit decreased from £877k to £833k resulting directly from an increase in inflation and utilities.

The company's net assets increased from £8.43m to £8.90m over the year.

Company paid out a dividend of £500k during the year.

In addition to turnover and gross profit, the company also monitors the current ratio (current assets to current liabilities). In 2022 the current ratio was 2.58 (2.80 in 2021). The company is planning to ensure that this ratio is kept at a consistent level. Gross profit margin increased slightly from 16.32% to 17.04%.

Staff numbers were up with an average of 329 employed during 2022 (2021: 309).

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 iabilities, 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.

On behalf of the board

H Beseme
Director

21 March 2023

S.B.E. LTD.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

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 9.

Dividends were paid in 2022 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 2023.

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
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:

	2022	2021
Energy consumption	**kWh**	**kWh**
Aggregate of energy consumption in the year		
- Gas combustion	159,491	160,850
- Electricity purchased	675,154	716,491
- Fuel consumed for transport	62,678	48,750
	897,323	926,091

Emissions of CO2 equivalent	**2022 metric tonnes**	**2021 metric tonnes**
Scope 1 - direct emissions		
- Gas combustion	29.27	30.00
- Fuel consumed for owned transport	-	-
	29.27	30.00
Scope 2 - indirect emissions		
- Electricity purchased	155.99	165.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Company	16.70	13.00
Total gross emissions	201.96	208.00
Intensity ratio		
Tonnes CO2e per full-time employee	0.61	0.63

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

21 March 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 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 2022 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' eport 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 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.

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 on behalf of Azets

27 March 2023

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 2022

	Notes	2022 £	2021 £
Turnover	3	40,060,911	36,190,406
Cost of sales		(33,236,310)	(30,281,144)
Gross profit		6,824,601	5,909,262
Administrative expenses		(5,991,398)	(5,341,676)
Other operating income		-	310,153
Operating profit	5	833,203	877,739
Interest receivable and similar income	8	287,507	220,856
Interest payable and similar expenses	9	(18,579)	(20,169)
Profit before taxation		1,102,131	1,078,426
Tax on profit	10	(133,705)	(176,303)
Profit for the financial year		968,426	902,123

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 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	**12**		611,061		407,521
Investments	**13**		6,242		6,242
			617,303		413,763
Current assets					
Stocks	**15**	3,961,922		2,854,967	
Debtors	**16**	7,580,223		6,528,186	
Cash at bank and in hand		2,158,463		3,164,573	
		13,700,608		12,547,726	
Creditors: amounts falling due within one year	**17**	(5,327,556)		(4,482,560)	
Net current assets			8,373,052		8,065,166
Total assets less current liabilities			8,990,355		8,478,929
Provisions for liabilities					
Deferred tax liability	**18**	87,000		44,000	
			(87,000)		(44,000)
Net assets			8,903,355		8,434,929
Capital and reserves					
Called up share capital	**20**		10,000		10,000
Profit and loss reserves	**21**		8,893,355		8,424,929
Total equity			8,903,355		8,434,929

The financial statements were approved by the board of directors and authorised for issue on 21 March 2023 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 2022

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 January 2021		10,000	8,022,806	8,032,806
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	902,123	902,123
Dividends	**11**	-	(500,000)	(500,000)
Balance at 31 December 2021		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

S.B.E. LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash absorbed by operations	**26**		(233,607)		(63,783)
Interest paid			(18,579)		(20,169)
Income taxes paid			(140,000)		(179,263)
Net cash outflow from operating activities			(392,186)		(263,215)
Investing activities					
Purchase of tangible fixed assets		(401,431)		(227,044)	
Interest received		5,497		509	
Dividends received		282,010		220,347	
Net cash used in investing activities			(113,924)		(6,188)
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			(1,006,110)		(769,403)
Cash and cash equivalents at beginning of year			3,164,573		3,933,976
Cash and cash equivalents at end of year			2,158,463		3,164,573

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 to continue in operational existence for the foreseeable future. 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.

1 Accounting policies **(Continued)**

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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 .

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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 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 Accounting policies **(Continued)**

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.

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.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

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 Accounting policies **(Continued)**

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.

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 Government grants

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

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

1.16 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:

	2022	2021
	£	£
Turnover analysed by class of business		
Maintenance and logistical services	40,060,911	36,190,406

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	38,458,475	34,778,980
Europe	1,201,827	1,121,903
Rest of the world	400,609	289,523
	40,060,911	36,190,406

	2022	2021
	£	£
Other revenue		
Interest income	5,497	509
Dividends received	282,010	220,347
Grants received	-	310,153

4 Auditor's remuneration

	2022	2021
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	30,395	25,875
For other services		
All other non-audit services	1,215	1,125

5 Operating profit

	2022	2021
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange losses	9,255	26,746
Government grants	-	(310,153)
Depreciation of owned tangible fixed assets	197,891	108,348
Operating lease charges	330,760	269,742

6 Employees

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

	2022 Number	2021 Number
Production	263	247
Administration	66	62
Total	329	309

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	7,563,277	6,296,803
Social security costs	684,150	517,389
Pension costs	188,572	164,193
	8,435,999	6,978,385

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	202,259	184,293
Company pension contributions to defined contribution schemes	19,975	17,700
	222,234	201,993

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

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

	2022 £	2021 £
Remuneration for qualifying services	202,259	184,293
Company pension contributions to defined contribution schemes	19,975	17,700

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	5,497	509
Income from fixed asset investments		
Income from shares in group undertakings	282,010	220,347
Total income	287,507	220,856

Investment income includes the following:

	2022	2021
Interest on financial assets not measured at fair value through profit or loss	5,497	509

9 Interest payable and similar expenses

	2022	2021
	£	£
Other finance costs:		
Other interest	18,579	20,169

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	90,705	139,903
Deferred tax		
Origination and reversal of timing differences	43,000	36,400
Total tax charge	133,705	176,303

10 Taxation (Continued)

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:

	2022	2021
	£	£
Profit before taxation	1,102,131	1,078,426
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	209,405	204,901
Expenses not deductible for tax purposes	2,299	6,462
Impact of capital allowances in excess of depreciation	(67,417)	(29,594)
Deferred tax movement	43,000	36,400
Dividend income	(53,582)	(41,866)
Taxation charge for the year	133,705	176,303

11 Dividends

	2022	2021
	£	£
Interim paid	500,000	500,000

12 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2022	1,226,225	943,292	1,133,062	3,302,579
Additions	-	169,441	231,990	401,431
At 31 December 2022	1,226,225	1,112,733	1,365,052	3,704,010
Depreciation and impairment				
At 1 January 2022	1,215,114	768,122	911,822	2,895,058
Depreciation charged in the year	6,468	62,780	128,643	197,891
At 31 December 2022	1,221,582	830,902	1,040,465	3,092,949
Carrying amount				
At 31 December 2022	4,643	281,831	324,587	611,061
At 31 December 2021	11,111	175,170	221,240	407,521

12 Tangible fixed assets **(Continued)**

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022	2021
	£	£

13 Fixed asset investments

	Notes	2022	2021
		£	£
Investments in associates	14	6,242	6,242

14 Associates

Details of the company's associates at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
S B E (Canada) Limited	300 Hogan Drive, Mississauga, ON, L5N 0C8.	Delivering expertise in the field of reserve logistics for the mobile industry	Ordinary	20.00	-
S B E USA Inc	802 E 8th Street, New Albany, IN 47150-3264	Delivering expertise in the field of reserve logistics for the mobile industry	Ordinary	-	20.00

The investments in associates are all stated at cost.

15 Stocks

	2022	2021
	£	£
Raw materials and consumables	3,613,418	2,620,912
Work in progress	348,504	234,055
	3,961,922	2,854,967

16 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	7,279,320	6,222,164
Amounts owed by undertakings in which the company has a participating interest	26,375	24,165
Other debtors	7,900	7,901
Prepayments and accrued income	266,628	273,956
	7,580,223	6,528,186

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	3,318,778	2,557,297
Amounts owed to group undertakings	471,346	183,398
Corporation tax	10,608	59,903
Other taxation and social security	561,083	410,928
Other creditors	184,669	204,772
Accruals and deferred income	781,072	1,066,262
	5,327,556	4,482,560

18 Deferred taxation

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

Balances:	Liabilities 2022 £	Liabilities 2021 £
ACAs	93,000	49,000
Unpaid pension contributions	(6,000)	(5,000)
	87,000	44,000

Movements in the year:	2022 £
Liability at 1 January 2022	44,000
Charge to profit or loss	43,000
Liability at 31 December 2022	87,000

19 Retirement benefit schemes

	2022	2021
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	188,572	164,193

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

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

21 Profit and loss reserves

	2022	2021
	£	**£**
At the beginning of the year	8,424,929	8,022,806
Profit for the year	968,426	902,123
Dividends declared and paid in the year	(500,000)	(500,000)
At the end of the year	8,893,355	8,424,929

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:

	2022	2021
	£	**£**
Within one year	304,993	291,427
Between two and five years	307,543	666,430
	612,536	957,857

23 Related party transactions

Transactions with related parties

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

23 Related party transactions **(Continued)**

The company made sales of £132,739 (2021: £108,538) to SBE (Canada) Limited, an entity where the company holds significant influence.

As at the year end, the company was owed £26,375 (2021: £24,165) by SBE (Canada) Limited.

The company made sales of £14 (2021: (£577)) to S.B.E. Polska Sp. z o.o., an entity under group control.

As at the year end, the company was owed £nil (2021: £nil) by S.B.E. Polska Sp. z o.o.

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.

24 Ultimate controlling party

The ultimate parent company of S B E Limited is S B E SA, a company registered in France.

The ultimate controlling party is P Y Beseme, a director, who directly and indirectly holds the majority of the share capital of the above mentioned company.

The accounts of the ultimate parent company, in which the results of the company are consolidated, are available to the public at Zone Industrielle De La Liane, St. Leonard, France, the head office of S B E SA.

25 Analysis of changes in net funds

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	3,164,573	(1,006,110)	2,158,463

26 Cash absorbed by operations

	2022	2021
	£	£
Profit for the year after tax	968,426	902,123
Adjustments for:		
Taxation charged	133,705	176,303
Finance costs	18,579	20,169
Investment income	(287,507)	(220,856)
Depreciation and impairment of tangible fixed assets	197,891	108,348
Movements in working capital:		
(Increase)/decrease in stocks	(1,106,955)	104,849
Increase in debtors	(1,052,037)	(806,022)
Increase/(decrease) in creditors	894,291	(348,697)
Cash absorbed by operations	(233,607)	(63,783)

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