

Registered number: 03583387

BAMBOO TECHNOLOGY GROUP LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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BAMBOO TECHNOLOGY GROUP LIMITED

COMPANY INFORMATION

Directors	S R Davis J A Lomer L E White
Company secretary	Strategy First Limited
Registered number	03583387
Registered office	Second Floor, Gloucestershire College Cheltenham Campus Princess Elizabeth Way Cheltenham Gloucestershire GL51 7SJ
Independent auditor	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH

BAMBOO TECHNOLOGY GROUP LIMITED

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BAMBOO TECHNOLOGY GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and the financial statements for the year ended 30 June 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.

Business review

During FY 2020 the Group delivered a solid performance from the platform of changes and preparations made in the previous year. The Covid – 19 pandemic has affected new business to some extent for the last quarter of the financial year but underlying repeat revenue has remained strong and some new income streams have been able to be developed. Financial Year 2020 also marked the first full year of trading within the Group for TechOp Solutions Ltd, which was acquired in May 2019.

Directors

The directors who served during the year were:

S R Davis
J A Lomer
L E White

BAMBOO TECHNOLOGY GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Going Concern

The Group has established processes for crisis management and risk assessment. As a technology business, with a wide base of skills in telecoms and IT, disaster planning and recovery is part of our product set. The directors have therefore assessed the threat of covid-19 on the business and its ability to remain a going concern. As part of this process the directors have updated their forecast to take account of the potential impact of covid-19.

The Group was in an improving place in January 2020 with a strong sales pipeline, focused and effective sales effort and a wide product offering backed up by robust systems and expertise. Although January to March saw the closing of good levels of new business this dropped in April and May as potential customers retreated to home working and deferred purchasing decisions. This dip has now reversed since in late May we are achieving expected numbers again.

Current new business is also being assisted by the fact that large elements of our product portfolio support home working solutions, connectivity and technical solutions such as thermal cameras, that are all now in high demand. As the country has moved to home working the established products of the business have become essential services and this has played to our quality service offering.

An early concern was potential credit risk, our risk process was used to identify customers in high risk industries but exposure to these is thankfully not high and so far we have not seen a significant impact on cash collection. We continue to monitor the situation and in particular the potential for bad debts. To mitigate against this and to build a stronger cash position within the company we have agreed with our bankers to take a six month capital repayment holiday on our acquisition debt up to October 2020. This will be repaid through the extension of the term rather than accelerated payments.

In addition a Director provided a loan of £600,000 in April 2017 to assist with working capital requirements which is subject to interest at 3%. As at 30 June 2019, £398,000 of this loan was outstanding. Although repayable on demand the director has confirmed that he will not demand repayment within 12 months that the attached accounts were signed, unless the group has sufficient resources to meet its liabilities for at least 12 months.

The directors therefore confirm that they consider that the going concern basis for the preparation of these financial statements remains appropriate based upon current forecasts and current trading despite the disruption caused by covid-19.

Future developments

The Company has weathered the Covid – 19 crisis well and our range of products and services are even more relevant in the changing business environment that all businesses face. The services are largely delivered through a repeat revenue model, which combined with class leading processes creates a solid, sustainable base for organic and acquisitive growth.

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.

Qualifying third party indemnity provisions

Qualifying third party indemnity provision purchased by the company for the benefit of directors amounted to £1,191 (2019 - £1,185).

BAMBOO TECHNOLOGY GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

Disclosure of Information to auditor

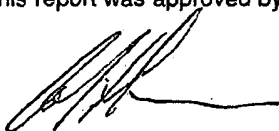
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

Auditor

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

This report was approved by the board on 7th September 2020 and signed on its behalf.



J A Lomer
Director

BAMBOO TECHNOLOGY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BAMBOO TECHNOLOGY GROUP LIMITED

Opinion

We have audited the financial statements of Bamboo Technology Group Limited (the 'Company') for the year ended 30 June 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

BAMBOO TECHNOLOGY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BAMBOO TECHNOLOGY GROUP LIMITED (CONTINUED)

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, 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.

BAMBOO TECHNOLOGY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BAMBOO TECHNOLOGY GROUP LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Company's shareholder 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 shareholder 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 shareholder for our audit work, for this report, or for the opinions we have formed.



Darren Rigden (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House
40 - 46 High Street
Maidstone
Kent

ME14 1JH

Date:

8/9/2020

BAMBOO TECHNOLOGY GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 £	2019 £
Turnover		8,931,748	9,540,241
Cost of sales		(5,846,485)	(6,610,399)
Gross profit		3,085,263	2,929,842
Distribution costs		(19,113)	(46,160)
Administrative expenses		(2,600,995)	(2,780,056)
Non-recurring administrative expenses		-	(278,555)
Operating profit/(loss)		465,155	(174,929)
Interest receivable and similar income		5,754	4,987
Interest payable and expenses		(30,050)	(10,162)
Profit/(loss) before tax		440,859	(180,104)
Tax on profit/(loss)	5	(76,576)	77,756
Profit/(loss) for the financial year		364,283	(102,348)

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 10 to 24 form part of these financial statements.

BAMBOO TECHNOLOGY GROUP LIMITED
REGISTERED NUMBER: 03583387

BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	7	644,162	710,400
Tangible assets	8	43,090	45,230
		<u>687,252</u>	<u>755,630</u>
Current assets			
Stocks	9	62,284	127,266
Debtors	10	4,265,229	4,164,076
Cash at bank and in hand	11	84,606	37,825
		<u>4,412,119</u>	<u>4,329,167</u>
Creditors: amounts falling due within one year	12	<u>(3,578,156)</u>	<u>(3,711,870)</u>
Net current assets		<u>833,963</u>	<u>617,297</u>
Total assets less current liabilities		<u>1,521,215</u>	<u>1,372,927</u>
Creditors: amounts falling due after more than one year	13	(681,230)	(864,229)
Provisions for liabilities			
Deferred tax	14	<u>(126,778)</u>	<u>(50,202)</u>
		<u>(126,778)</u>	<u>(50,202)</u>
Net assets		<u>713,207</u>	<u>458,496</u>
Capital and reserves			
Called up share capital		303	303
Profit and loss account		712,904	458,193
		<u>713,207</u>	<u>458,496</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

7th September 2020



J A Lomer
Director

BAMBOO TECHNOLOGY GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2019	303	458,193	458,496
Comprehensive income for the year			
Profit for the year	-	364,283	364,283
Dividends: Equity capital	-	(109,572)	(109,572)
At 30 June 2020	303	712,904	713,207

The notes on pages 10 to 24 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2018	303	560,541	560,844
Comprehensive income for the year			
Loss for the year	-	(102,348)	(102,348)
At 30 June 2019	303	458,193	458,496

The notes on pages 10 to 24 form part of these financial statements.

BAMBOO TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. General information

The company is a private limited company (registered number 03583387), which is incorporated and domiciled in England and Wales. The address of the registered office is:

Second Floor, Gloucestershire College
Cheltenham Campus
Princess Elizabeth Way
Cheltenham
Gloucestershire
GL51 7SJ

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Group has established processes for crisis management and risk assessment. As a technology business, with a wide base of skills in telecoms and IT, disaster planning and recovery is part of our product set. The directors have therefore assessed the threat of covid-19 on the business and its ability to remain a going concern. As part of this process the directors have updated their forecast to take account of the potential impact of covid-19.

The Group was in an improving place in January 2020 with a strong sales pipeline, focused and effective sales effort and a wide product offering backed up by robust systems and expertise. Although January to March saw the closing of good levels of new business this dropped in April and May as potential customers retreated to home working and deferred purchasing decisions. This dip has now reversed since in late May we are achieving expected numbers again.

Current new business is also being assisted by the fact that large elements of our product portfolio support home working solutions, connectivity and technical solutions such as thermal cameras, that are all now in high demand. As the country has moved to home working the established products of the business have become essential services and this has played to our quality service offering.

An early concern was potential credit risk, our risk process was used to identify customers in high risk industries but exposure to these is thankfully not high and so far we have not seen a significant impact on cash collection. We continue to monitor the situation and in particular the potential for bad debts. To mitigate against this and to build a stronger cash position within the company we have agreed with our bankers to take a six month capital repayment holiday on our acquisition debt up to October 2020. This will be repaid through the extension of the term rather than accelerated payments.

In addition a Director provided a loan of £600,000 in April 2017 to assist with working capital requirements which is subject to interest at 3%. As at 30 June 2019, £398,000 of this loan was outstanding. Although repayable on demand the director has confirmed that he will not demand repayment within 12 months that the attached accounts were signed, unless the group has sufficient resources to meet its liabilities for at least 12 months.

The directors therefore confirm that they consider that the going concern basis for the preparation of these financial statements remains appropriate based upon current forecasts and current trading despite the disruption caused by covid-19.

BAMBOO TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Total (2014) Limited as at 30 June 2020 and these financial statements may be obtained from Companies House.

2.3 Turnover

Turnover in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

Connection commission received by mobile network operators is recognised when the customer is connected to the mobile network after providing for expected future clawbacks.

Income and related expenditure is recognised upon completion of work for systems installations.

Maintenance income with respect to systems is recognised evenly over the period to which it relates.

Turnover from the sale of hardware is recognised in the period in which it is delivered to customers.

Turnover from the sale of airtime is recognised in the period the airtime is used by the customers and invoiced to them.

Turnover from line rentals is recognised in the month that the charge relates to.

BAMBOO TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other 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.

Amortisation is provided on the following bases:

Software	-	20 % straight line
Goodwill	-	10 % straight line

2.5 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:

Depreciation is provided on the following basis:

Fixtures & fittings	-	25% reducing balance
Office and computer equipment	-	25% reducing balance

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

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

BAMBOO TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 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.

2.8 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.

2.9 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.10 Creditors

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

2.11 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.

BAMBOO TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 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.

2.14 Pensions

Defined contribution pension plan

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

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

2.15 Interest income

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

2.16 Borrowing costs

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

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

BAMBOO TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.18 Current and deferred taxation

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

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

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

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

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

2.19 Exceptional/non-recurring costs

Exceptional/non-recurring costs are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

BAMBOO TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

The company may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised are as follows:

i) Intangible fixed assets and capitalisation of development costs: the directors annually assess whether items meet the criteria to be capitalised under FRS 102 Section 18. They also assess both the residual value of these assets and the expected useful life of such assets which is currently judged to be up to 5 years, based on experience.

ii) Recoverability of debtors: the directors annually assess whether a bad debt provision is required for any bad or doubtful debtor balance.

iii) Going concern: Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. This requires the directors to forecast the future trading and cash requirements of the company along with other factors which could impact upon the business. Further information regarding the directors assessment of going concern is found in the directors report and accounting policy section.

4. Employees

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

	2020 No.	2019 No.
Sales and administrative staff	42	43

BAMBOO TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

5. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	(45,570)
Adjustments in respect of previous periods	-	(855)
	<u>-</u>	<u>(46,425)</u>
Total current tax	<u>-</u>	<u>(46,425)</u>
Deferred tax		
Origination and reversal of timing differences	70,670	(23,339)
Changes to tax rates	5,906	(8,652)
Adjustments in respect of prior periods	-	660
Total deferred tax	<u>76,576</u>	<u>(31,331)</u>
Taxation on profit/(loss) on ordinary activities	<u>76,576</u>	<u>(77,756)</u>

BAMBOO TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

5. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	440,859	(180,104)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	83,764	(34,220)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,005	3,068
Depreciation on non qualifying assets	320	3,145
Adjustments to tax charge in respect of prior periods	-	(195)
Additional deduction for R&D expenditure	(37,638)	(65,452)
Surrender of tax losses for R&D tax credit refund	-	14,142
Adjust deferred tax to standard CT rate	5,906	(5,906)
Group relief	20,219	7,662
Total tax charge for the year	76,576	(77,756)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

6. Non-recurring administrative expenses

	2020 £	2019 £
Non recurring costs	-	278,555
	-	278,555

Non-recurring administrative expenses in the prior year related to the write off of an unsecured loan which related to business support for a collaborator who have appointed a liquidator and therefore the Directors do not believe that the amount is recoverable.

BAMBOO TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

7. Intangible assets

	Software £
Cost	
At 1 July 2019	1,173,843
Additions - internal	190,532
At 30 June 2020	1,364,375
Amortisation	
At 1 July 2019	463,443
Charge for the year on owned assets	256,770
At 30 June 2020	720,213
Net book value	
At 30 June 2020	644,162
At 30 June 2019	710,400

BAMBOO TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

8. Tangible fixed assets

	Fixtures & fittings £	Office and computer equipment £	Total £
Cost or valuation			
At 1 July 2019	178,594	171,253	349,847
Additions	4,592	8,939	13,531
Disposals	(7,472)	(15,613)	(23,085)
At 30 June 2020	<u>175,714</u>	<u>164,579</u>	<u>340,293</u>
Depreciation			
At 1 July 2019	159,101	145,517	304,618
Charge for the year on owned assets	5,354	7,376	12,730
Disposals	(6,721)	(13,424)	(20,145)
At 30 June 2020	<u>157,734</u>	<u>139,469</u>	<u>297,203</u>
Net book value			
At 30 June 2020	<u>17,980</u>	<u>25,110</u>	<u>43,090</u>
At 30 June 2019	<u>19,494</u>	<u>25,736</u>	<u>45,230</u>

9. Stocks

	2020 £	2019 £
Finished goods and goods for resale	62,284	127,266
	<u>62,284</u>	<u>127,266</u>

Stock recognised in cost of sales during the year as an expense was £528,041 (2019: £555,939).

BAMBOO TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

10. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	-	78,250
	<u>-</u>	<u>78,250</u>
Due within one year		
Trade debtors	1,212,043	1,261,821
Amounts owed by group undertakings	2,543,702	2,401,554
Other debtors	339,576	240,565
Prepayments and accrued income	169,908	181,886
	<u>4,265,229</u>	<u>4,164,076</u>

Included in other debtors under one year (2019 - debtors after more than one year) is a cash bond held in accordance with the terms of the contract with one of the company's service providers.

The intercompany debt is unsecured, repayable on demand and no interest is accruing on the balance.

11. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	84,606	37,825
	<u>84,606</u>	<u>37,825</u>

BAMBOO TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	166,964	192,038
Other loans	58,073	58,072
Trade creditors	872,903	942,243
Amounts owed to group undertakings	431,771	409,105
Other taxation and social security	408,577	217,486
Other creditors	1,082,382	1,255,551
Accruals and deferred income	557,486	637,375
	<u>3,578,156</u>	<u>3,711,870</u>

Bank loans consist of a loan which is repayable in monthly installments at an interest rate of 2.75% above base rate. The final repayment will occur in May 2024.

Other loans consist of a loan which is repayable in quarterly installments at an interest rate of 9.7% and is secured against certain items of stock. The final repayment will occur in October 2021.

There is a fixed and floating charge over all assets and undertaking both present and future.

There is a composite company unlimited multilateral guarantee dated 20 October 2008 given by Total Holdings Limited, Total Network Convergence Ltd, Total Telecommunications Limited, Bamboo Technology Limited, Total (2014) Limited and Tech Ops Solutions Limited.

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

	2020 £	2019 £
Bank loans	666,369	791,295
Other loans	14,861	72,934
	<u>681,230</u>	<u>864,229</u>

14. Deferred taxation

BAMBOO TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

14. Deferred taxation (continued)

	2020 £	2019 £
At beginning of year	(50,202)	(81,533)
Charged to profit or loss	(76,576)	31,331
At end of year	(126,778)	(50,202)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(127,776)	(124,758)
Losses and other deductions	-	73,462
Short term timing differences	998	1,094
	(126,778)	(50,202)

15. Contingent liabilities

The company is included within a group VAT registration scheme, which incorporates the parent company and fellow subsidiaries. As such the company is jointly and severally liable for the amounts owed by the other companies at the balance sheet date. At 30 June 2020, the company owed £306,999 (2019 - £167,804) to HMRC.

16. Pension commitments

The group operates a defined contribution pension scheme and the total charge for the period was £80,187 (2019 - £68,660). Included within other creditors is £10,799 (2019 - £10,825) in respect of unpaid pension contributions at the year end.

BAMBOO TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

17. Commitments under operating leases

At 30 June 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,507	50,000
Later than 1 year and not later than 5 years	-	1,507
	<u>1,507</u>	<u>51,507</u>

The Group signed a five year operating lease for a new office in August 2020 presenting no commitment at the year end.

18. Related party transactions

The group has taken advantage of FRS102 Section 33.5 not to disclose details of transactions between entities that are part of the group, where the financial statements are publicly available and 100% of the voting rights are controlled within the group.

In 2017, S Davis loaned £625,000 to the company. As at the year end, £398,000 (2019 - £450,000) was still outstanding. The loan is repayable on demand and is unsecured. Interest is accruing at a rate of 3% per annum.

19. Controlling party

The parent company is Total Holdings Limited which is incorporated in England and Wales. The ultimate parent undertaking is Total (2014) Limited.

Ultimate control resides with S R Davis who has a controlling interest in Total (2014) Limited.