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# ARKESSA LIMITED

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Registered number: 06917673

## ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

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**ARKESSA LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

Richard Miller  
Oliver Robert Stewart Tucker

**REGISTERED NUMBER**

06917673

**REGISTERED OFFICE**

Horizon  
Honey Lane  
Hurley  
Maidenhead  
Berkshire  
SL6 6RJ  
United Kingdom

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**ARKESSA LIMITED**

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## ARKESSA LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2024

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#### INTRODUCTION

The directors present their strategic report on the Company for the year ended 30<sup>th</sup> April 2024.

#### BUSINESS REVIEW

Arkessa Limited is a leading provider of connectivity services to global enterprise and industrial customers. Our service offerings to the Machine-to-Machine ("M2M") and Internet of Things ("IOT") markets are agnostic as to geography, device, mobile network and technology.

Arkessa enables enterprises and OEMs to simplify processes, optimise design, manufacturing and logistics so as to focus on selling value-added products and services across their international markets.

The results for the year ended 30<sup>th</sup> April 2024 show revenue decrease to £12.6m (2023: £13.8m) down 9% and operating profit for the year increased by 2.9% to £5.5m (2023: £5.3m) and Profit Before Tax decreased by 13% to £5.4m (2023: profit £6.3m).

Arkessa Limited's ultimate parent undertaking is Blue Parentco Limited, a company incorporated in Jersey. The largest and smallest group of undertakings for which consolidated financial statements for the year ended 30<sup>th</sup> April 2024 have been drawn up by Blue Holdco Limited. The consolidated financial statements of Blue Holdco Limited are available from Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ, England.

#### OBJECTIVES

The business objectives for the year included growing recurring revenue and improving gross margin. Our target remains to maintain organic growth at least at the level of growth in the market. The company has performed in line with these objectives in a dynamic environment.

#### STRATEGY

Arkessa offers a unique blend of technical expertise and world-class experience in wireless networks, infrastructure, and software, which has been carefully built and developed over the years. This capability enables Arkessa to address fast-evolving IoT connectivity requirements on a global scale and across multiple sectors. Arkessa's strategy is to remain at the leading edge of our technologies through creative solutions, product innovation and strong ecosystem partnerships. Ultimately, our success comes down to differentiated service offerings and exceptional customer relationships.

We benefit from our virtualised infrastructure, based on Arkessa's proprietary design, managing mobile networks and other wireless technologies without the need for significant investments in physical network infrastructure. This secure and future-proof service platform is supported by our technological advancement in remotely reprogrammable SIMs which helps make IoT easy to adopt, integrate and scale.

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## ARKESSA LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

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#### BUSINESS MODEL

Our business model is designed to support our growing base of global partners and customers through innovation and technical expertise to deliver profitable growth for the company.

We benefit from a long-term subscription-based, annuity-type revenue model which provides a high degree of resilience to our financial performance, with negligible churn. We invest in capabilities that enable us to deliver best-in-class service to our partners and end users. This includes investment in people and network integration as well as the intellectual property related to our platforms and our service delivery.

#### FUTURE OUTLOOK

The prospects for the IoT industry and therefore our business remain extremely positive. According to independent market research, the sector will experience continued growth, as more and more IoT use cases are being developed. Trends towards remote monitoring and management continue across multiple industries and have only accelerated. The combination of these will ultimately drive further demand for our data connectivity solutions.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the business and details of how we mitigate these risks are set out below.

##### **Credit risk**

Our principal area of growth is with large enterprise customers and through major channel partner relationships which reduces our direct exposure to credit risk. With our smaller and medium-sized customers we conduct regular credit checks using third-party databases and we set credit limits accordingly. We pro-actively resolve any payment issues and rarely use collection agencies and only when strictly necessary.

##### **Technology risk**

The M2M and IOT markets are largely based around the use of SIM card technology. Whilst this technology may change, the need for machines to be connected is forecast to increase significantly. Any technology risks are mitigated through the use of our flexible platforms which enable us to accommodate changes in the technology underlying M2M and IOT connectivity, and the fact that we are bearer service agnostic.

##### **Supplier relationship risk**

Our relationships with the leading mobile network operators are important to our on-going success. We are an important channel and route to market for them and we mitigate the risk of these relationships being damaged through close and frequent contact.

##### **Foreign exchange risk**

The company is exposed to minimal movements in foreign exchange rates as a result of transactions with customers and suppliers outside the UK. The company manages the foreign exchange rate risk by transacting in local currencies, where practical and maintaining foreign currency bank accounts.

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**ARKESSA LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2024**

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**FINANCIAL KEY PERFORMANCE INDICATORS**

Management adopts several indicators to measure and monitor the overall performance of the company, which include:

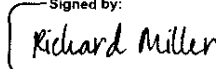
- Revenue on a like for like basis decreased to £12.5m (2023: £13.8m) down 9%.
- EBITDA (before exceptionals) increase to £6.3m (2023: £6.2m) in the year
- Gross margin remained consistent at 61% (2023: 62%).
- Cash conversion remained consistent at 83% in the period (2023: 83%).

A budget is set each year and monthly performance, including the key performance indicators above, are monitored against budget. For the year ended 30th April 2024, the company met budget and performed well against key performance indicators. In addition, the company looks closely at non-financial key performance indicators, such as staff and customer satisfaction. Staff surveys are conducted periodically, and the last survey showed positive results, resulting in Wireless Logic/Arkessa being recognised as a Great Place to Work. We continue to work on improving the employee experience at Arkessa. Customer satisfaction is monitored using Net promoter score (NPS) captured from all customer feedback, the closing score reports as 49 (2023: 47), the industry standard is 31 so we perform well against the indicator.

**CONDUCT AND SOCIAL RESPONSIBILITY**

Arkessa is a socially and environmentally conscious business and the Company pays specific attention to Environmental, Social and Governance ("CSR") performance which is reviewed and reported on annually by an independent third party. Arkessa regularly support local charities in Bishop's Stortford and surrounding areas, and we operate a corporate social responsibility ("CSR") programme. Our website contains our Code of Conduct covering areas such as Health & Safety, Anti-Corruption, Privacy, Discrimination and Modern Slavery amongst others. Arkessa also participates in a carbon offsetting scheme with the aim of becoming a carbon neutral business.

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

Signed by:  
  
90527887D929406

**Richard Miller**  
**Director**

Date: 6<sup>th</sup> November 2024

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**ARKESSA LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2024**

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The directors present their report and the audited financial statements for the Year ended 30<sup>th</sup> April 2024.

**RESULTS AND DIVIDENDS**

The profit for the period, after taxation, amounted to £4,175,145(2023 - £6,358,325).

Total dividends of £0 were received from Arkessa B.V (2023: £903,015)

Total dividends of £4,214,000 were paid to Nexus Bidco Limited (2023: £12,405,818).

**DIRECTORS**

The directors who served during the period were:

Richard Miller  
Oliver Robert Stewart Tucker

**GOING CONCERN**

The directors have prepared cash flow forecasts which indicate that the Company has adequate resources to both continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

**POST BALANCE SHEET EVENTS**

There are no post balance sheet events to disclose in the financial statements.

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**ARKESSA LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2024**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

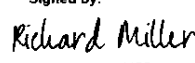
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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

Signed by:  
  
90527887D929406

**Richard Miller**  
Director

Date: 6<sup>th</sup> November 2024



**ARKESSA LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
30 APRIL 2024**

	Note	Year ended 30 <sup>th</sup> April 2024 £	Year ended 30 <sup>th</sup> April 2023 £
Turnover	4	12,584,677	13,835,738
Cost of sales		(4,889,101)	(5,262,595)
<b>GROSS PROFIT</b>		<b>7,695,576</b>	<b>8,573,143</b>
Administrative expenses		(1,421,209)	(2,413,832)
Depreciation		(40,044)	(23,139)
Amortisation		(704,521)	(763,297)
Total Administration costs		(2,165,774)	(3,200,268)
<b>Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)</b>		<b>6,274,367</b>	<b>6,159,311</b>
<b>OPERATING PROFIT</b>	5	<b>5,529,802</b>	<b>5,372,875</b>
Interest receivable and similar income	8	11,058	77,666
Income from interests in associated undertakings		-	903,015
<b>PROFIT BEFORE TAX</b>		<b>5,540,860</b>	<b>6,353,556</b>
Tax credit/(charge) on profit	9	(1,365,715)	4,769
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<b>4,175,145</b>	<b>6,358,325</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>4,175,145</b>	<b>6,358,325</b>

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

The notes on pages 12 to 26 form part of these financial statements.

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**ARKESSA LIMITED**


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**BALANCE SHEET  
AS AT 30 APRIL 2024**


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		30 <sup>th</sup> April 2024	30 <sup>th</sup> April 2023
<b>FIXED ASSETS</b>	Note	£	£
Intangible assets	10	87,222	809,864
Tangible assets	11	15,311	55,355
Investments	12	78	78
		<b>102,611</b>	<b>865,297</b>
<b>CURRENT ASSETS</b>			
Stocks	13	55,022	79,366
Debtors: amounts falling due within one year	14	13,526,677	12,930,827
Cash at bank and in hand	15	1,970,370	1,395,256
		<b>15,552,069</b>	<b>14,405,449</b>
Creditors: amounts falling due within one year	16	(4,092,969)	(3,806,200)
<b>NET CURRENT ASSETS</b>		<b>11,459,100</b>	<b>10,599,249</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>11,561,711</b>	<b>11,464,546</b>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	17	13,669	149,689
<b>NET ASSETS</b>		<b>11,575,380</b>	<b>11,614,235</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	165	165
Share premium account	19	1,492,076	1,492,076
Profit and loss account	19	10,083,139	10,121,994
<b>TOTAL EQUITY</b>		<b>11,575,380</b>	<b>11,614,235</b>

For the financial year ended 30<sup>th</sup> April 2024, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to the accounting records and the preparation of accounts.

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

The notes on pages 12 to 26 form part of these financial statements.

Richard Miller  
Director

Signed by:

*Richard Miller*

90527887D929406

Date:

6th November 2024

Arkessa Limited, company registered number 06917673

**ARKESSA LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2024**

	Called-up share capital £	Share premium account £	Retained earnings £	Total equity £
<b>Balance as at 1st May 2022</b>	<b>165</b>	<b>1,492,076</b>	<b>16,169,487</b>	<b>17,661,728</b>
Profit for the year	-	-	(6,047,493)	(6,047,493)
<b>Balance as at 30th April 2023</b>	<b>165</b>	<b>1,492,076</b>	<b>10,121,994</b>	<b>11,614,235</b>
Dividends	-	-	(4,214,000)	(4,214,000)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>(4,214,000)</b>	<b>(4,214,000)</b>
Profit for the year	-	-	4,175,145	4,175,145
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,175,145</b>	<b>4,175,145</b>
<b>Balance as at 30th April 2024</b>	<b>165</b>	<b>1,492,076</b>	<b>10,083,139</b>	<b>11,575,380</b>

The notes on pages 12 to 26 form part of these financial statements.

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**ARKESSA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

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**1. GENERAL INFORMATION**

Arkessa Limited is a private limited company, limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Horizon Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ. The principal activity of the Company is disclosed in the Strategic Report.

The parent undertaking of the largest and smallest group of which the results of the Company are consolidated is Blue Holdco Limited, a private company limited by shares and incorporated in England and Wales. Copies of the consolidated financial statements are available for the public from Horizon Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

The following exemptions from the requirements of FRS 102 have been applied in the preparation of these financial statements:

Paragraph 1.12

(b) The requirements of Section 7 "Statement of Cash Flows" and paragraph 3.17(d).

(e) The requirement of paragraph 33.7 "Disclosure of key management personnel compensation."

The following principal accounting policies have been applied:

**2.2 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS**

The Company is a wholly owned subsidiary of Nexus Bidco Limited and of its ultimate parent Blue Parentco Limited. It is included in the consolidated financial statements of Blue Holdco Limited which are publicly available from Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ England. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements for the year ended 30 April 2024. These financial statements are separate financial statements.

The Company has taken advantage of the exemption to disclose a cash flow statement as Blue Holdco Limited prepares publicly available consolidated financial statements.

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**ARKESSA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 GOING CONCERN**

The directors have prepared cash flow forecasts which indicate that the Company has adequate resources to both continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

**2.4 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.5 TURNOVER**

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax.

Service charge revenue is invoiced in advance and is deferred upon invoice and recognised in the period to which the service relates (generally the subsequent month). Usage revenue is invoiced and recognised in the period to which it relates.

**2.6 OPERATING LEASES: THE COMPANY AS LESSEE**

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

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

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**ARKESSA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.7 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 of 3 years, once the asset is available for use.

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.

**2.8 INTEREST INCOME**

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

**2.9 CURRENT AND DEFERRED TAXATION**

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

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

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

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

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

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**ARKESSA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.10 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 being 10 years.

**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.

Development expenditure includes costs incurred to design, test, build and or improve bespoke IT products and systems. Capitalised expenditure includes:

- external direct costs of materials and services consumed
- payroll and payroll-related costs for employees (including contractors) directly associated with the project
- borrowing costs that are directly attributable to the qualifying assets.

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

The estimated useful lives range as follows:

Development expenditure	-	3	years
Contracts	-	3	years
Computer software	-	3	years

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**ARKESSA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.11 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Short-term leasehold improvements	- 10% straight line or over the lease term if shorter
Office equipment	- 10% to 33% straight line
Computer equipment	- 33% straight line

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

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

**2.12 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.13 STOCKS**

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

**2.14 DEBTORS**

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

**2.15 CASH AND CASH EQUIVALENTS**

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



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**ARKESSA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.16 CREDITORS**

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

**2.17 PROVISION 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.

**2.18 FINANCIAL INSTRUMENTS**

The Company 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.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

**PROVISION FOR DOUBTFUL DEBTS**

An allowance for doubtful debts is maintained for potential credit losses based upon management's assessment of the expected collectability of all accounts receivable. The allowance for doubtful debts is reviewed periodically to assess the adequacy of the allowance. In making this assessment, management takes into consideration any circumstances of which they are aware regarding a customer's inability to meet its financial obligations.

**AMORTISATION OF INTANGIBLE ASSETS**

Intangible assets are amortised based upon an assessment made by management of their useful life. These are outlined in note 2.11.

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**ARKESSA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

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**4. TURNOVER**

An analysis of turnover by class of business is as follows:

	<b>Year ended 30 April 2024 £</b>	<b>Year ended 30 April 2023 £</b>
Services	12,519,011	13,731,850
Sale of goods	65,666	103,888
	<b>12,584,677</b>	<b>13,835,738</b>

Analysis of turnover by geographical destination:

	<b>Year ended 30 April 2024 £</b>	<b>Year ended 30 April 2023 £</b>
United Kingdom	11,968,906	12,639,605
Rest of Europe	295,483	863,826
Rest of the World	320,288	332,307
	<b>12,584,677</b>	<b>13,835,738</b>

**ARKESSA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>Year ended 30 April 2024 £</b>	<b>Year ended to 30 April 2023 £</b>
Depreciation of tangible fixed assets	40,044	23,139
Amortisation of intangible assets	704,521	763,297
Foreign exchange loss	34,360	(10,190)
Operating lease rentals	-	131,217
Defined contribution pension costs	-	2,937
	<u>          </u>	<u>          </u>

**6. AUDITORS' REMUNERATION**

For the year ended 30th April 2024 and the preceding year, the directors did not require the company to have an audit.

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the ultimate parent Company, Blue Holdco Limited.

**7. EMPLOYEES**

The company has no employees. The directors are employed and paid by other group companies and no recharge is made to the company in respect of their services and it is not considered practicable to apportion their emoluments between each of the group companies.

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>Year ended 30 April 2024 £</b>	<b>Year ended 30 April 2023 £</b>
Interest receivable from group companies	10,652	77,665
Bank interest receivable	406	1
	<u>11,058</u>	<u>77,666</u>

**ARKESSA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

**9. TAX ON PROFIT**

	Year ended 30 April 2024	Year ended 30 April 2023
	£	£
<b>CORPORATION TAX</b>		
Current tax on profits for the year	1,229,696	-
<b>TOTAL CURRENT TAX</b>	<b>1,229,696</b>	<b>-</b>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	(9,771)	(3,974)
Adjustments in respect of previous periods	145,791	(795)
Effect of changes in tax rates	-	0
<b>TOTAL DEFERRED TAX</b>	<b>136,020</b>	<b>(4,769)</b>
<b>TAX ON PROFIT</b>	<b>1,365,716</b>	<b>(4,769)</b>

**FACTORS AFFECTING THE TAX CREDIT FOR THE YEAR**

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK of 25.00% (2023: 19.50%). The differences are explained below:

	Year ended 30 April 2024	Year ended 30 April 2023
	£	£
<b>PROFIT BEFORE TAX</b>	<b>5,540,860</b>	<b>6,353,556</b>
Profit multiplied by the standard rate of corporation tax in the UK of 25.00% (2023: 19.50%)	1,385,215	1,238,943
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	53,020	(34,618)
Tax decrease from effect of exempt dividends	-	(176,088)
Adjustments to tax charge in respect of prior periods	145,791	(795)
Group relief	(218,311)	(1,032,211)
<b>TOTAL TAX CHARGE/(CREDIT) FOR THE YEAR</b>	<b>1,365,715</b>	<b>(4,769)</b>

Deferred taxes at the balance sheet date have been measured using the enacted tax rate of 25.00%.

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**ARKESSA LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**


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**10. INTANGIBLE ASSETS**

	Development expenditure £	Contracts £	Computer software £	Goodwill £	Total £
<b>COST</b>					
At 1 May 2023	2,377,445	1,225,254	486,446	-	4,089,145
Additions	-	-	33,753	-	33,753
Disposals	-	-	(398,891)	-	(398,891)
<b>At 30 April 2024</b>	<b>2,377,445</b>	<b>1,225,254</b>	<b>121,308</b>	<b>-</b>	<b>3,724,007</b>
<b>ACCUMULATED AMORTISATION</b>					
At 1 May 2023	2,114,409	1,079,126	85,746	-	3,279,281
Charge for the period	201,129	146,128	357,264	-	704,521
Disposals	-	-	(347,017)	-	(347,017)
<b>At 30 April 2024</b>	<b>2,315,538</b>	<b>1,225,254</b>	<b>95,993</b>	<b>-</b>	<b>3,636,785</b>
<b>NET BOOK VALUE</b>					
<b>At 30 April 2024</b>	<b>61,907</b>	<b>-</b>	<b>25,315</b>	<b>-</b>	<b>87,222</b>
At 30 April 2023	263,036	146,128	400,700	-	809,864

Development expenditure is internally generated.

**ARKESSA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

**11. TANGIBLE ASSETS**

	Short-term leasehold improvements £	Office equipment £	Computer equipment £	Total £
<b>COST</b>				
At 1 May 2023	52,226	122,189	32,327	206,742
Additions	-	-	-	-
Disposals	(52,226)	-	-	(52,226)
<b>At 30 April 2024</b>	<b>-</b>	<b>122,813</b>	<b>32,327</b>	<b>155,140</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 1 May 2023	20,629	98,431	32,327	151,387
Charge for the period on owned assets	31,597	8,447	-	40,044
Disposals	(52,226)	-	-	(52,226)
<b>At 30 April 2024</b>	<b>-</b>	<b>107,502</b>	<b>32,327</b>	<b>139,829</b>
<b>NET BOOK VALUE</b>				
<b>At 30 April 2024</b>	<b>-</b>	<b>15,311</b>	<b>-</b>	<b>15,311</b>
At 30 April 2023	31,597	23,758	-	55,355

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**ARKESSA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

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**12. INVESTMENTS**

	<b>Investments in subsidiary companies</b>
	<b>£</b>
<b>COST AND NET BOOK VALUE</b>	
At 1 April 2023	78
Disposals	0
<b>At 30 April 2024</b>	<b>78</b>

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company during the year:

<b>Name</b>	<b>Registered office</b>	<b>Class of share</b>	<b>Holding</b>
Arkessa Inc	(a)	Ordinary	100%

\*During FY2023, Arkessa B.V was closed.

(a) Arkessa Inc, 614 N DyPont Hwy, Ste 210, Dover DE 19901

**13. STOCKS**

	<b>Year ended 30 April 2024</b>	<b>Year ended 30 April 2023</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	55,022	79,366
	<b>55,022</b>	<b>79,366</b>

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**ARKESSA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

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**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Year ended 30 April 2024 £	Year ended 30 April 2023 £
Trade debtors	2,464,776	2,929,571
Amounts owed by group undertakings	10,888,812	9,547,296
Other debtors	1	123,802
Tax recoverable	-	23,222
Prepayments and accrued income	173,088	306,936
	<u><b>13,526,677</b></u>	<u><b>12,930,827</b></u>

Trade debtors are shown net of a doubtful debt provision of £720,854 (2023: £778,977).

**15. CASH AT BANK AND IN HAND**

	Year ended 30 April 2024 £	Year ended 30 April 2023 £
Cash at bank and in hand	1,970,370	1,395,258
	<u><b>1,970,370</b></u>	<u><b>1,395,258</b></u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Year ended 30 April 2024 £	Year ended 30 April 2023 £
Trade creditors	229,463	620,760
Amounts owed by group undertakings	209,645	874,583
Other taxation and social security	1,807,879	496,725
Other creditors	562,185	31,969
Accruals and deferred income	1,283,797	1,782,163
	<u><b>4,092,969</b></u>	<u><b>3,806,200</b></u>



**ARKESSA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

**17. DEFERRED TAX**

	<b>Year ended 30 April 2024 £</b>	<b>Year ended 30 April 2023 £</b>
At beginning of year	(149,689)	(144,920)
Charge to profit or loss	136,020	(4,769)
<b>AT END OF PERIOD</b>	<b>(13,669)</b>	<b>(149,689)</b>

The provision for deferred taxation is made up as follows:

	<b>Year ended 30 April 2024 £</b>	<b>Year ended 30 April 2023 £</b>
Fixed asset timing differences	21	9,293
Short term timing differences	-	(2,570)
Losses and other deductions	(13,690)	(156,412)
	<b>(13,669)</b>	<b>(149,689)</b>

**18. CALLED UP SHARE CAPITAL**

	<b>30 April 2024 £</b>	<b>30 April 2023 £</b>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
16,465,332 (2023:16,465,332) Ordinary shares of £0.00001 each	165	165
	<b>165</b>	<b>165</b>

**19. RESERVES**

**Share premium account**

The share premium account records the amount above the nominal value received for shares, less transaction costs and costs of raising finance. This is non-distributable.

**Profit and loss account**

The profit and loss account includes all current and prior period retained profits and losses; net of dividends paid.

ARKESSA LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024

20. COMMITMENTS UNDER OPERATING LEASES

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

	Year ended 30 April 2024 £	Year ended 30 April 2023 £
<b>LAND AND BUILDINGS</b>		
Not later than 1 year	-	52,110
Later than 1 year and not later than 5 years	-	-
	-	<b>52,110</b>

21. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions contained within FRS 102 paragraph 33.1A not to disclose transactions with wholly owned group undertakings.

22. POST BALANCE SHEET EVENTS

There are no post balance sheet events to disclose in the financial statements.

23. CONTROLLING PARTY

As at 30 April 2024, the immediate parent undertaking is Nexus Bidco Limited. The ultimate parent undertaking is Blue Parentco Limited.

The parent undertaking of the largest and smallest group of which the results of the Company are consolidated is Blue Holdco Limited, a private company limited by shares and incorporated in England and Wales. Copies of the consolidated financial statements are available for the public from Horizon, Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ.

As at the 30 April 2024, the directors consider the controlling party to be funds managed by Montagu Private Equity LLP.