

CPCS TRANSCOM UK LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Bessler Hendrie LLP
Chartered Accountants
Statutory Auditor
Ashbourne House
The Guildway
Old Portsmouth Road
Guildford
Surrey
GU3 1LR

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for the year ended 31 August 2022

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DIRECTORS:

I Horseman Sewell
A Pretto
M L Roy

REGISTERED OFFICE:

6th Floor
25 Farringdon Street
London
EC4A

REGISTERED NUMBER:

02897318 (England and Wales)

AUDITORS:

Bessler Hendrie LLP
Chartered Accountants
Statutory Auditor
Ashbourne House
The Guildway
Old Portsmouth Road
Guildford
Surrey
GU3 1LR

BALANCE SHEET
31 August 2022

		2022	2021
		£	as restated £
FIXED ASSETS	Notes		
Tangible assets	5	8,839	9,954
CURRENT ASSETS			
Debtors	6	1,677,937	1,367,553
Cash at bank		8,710	530,857
		<u>1,686,647</u>	<u>1,898,410</u>
CREDITORS			
Amounts falling due within one year	7	<u>(3,053,925)</u>	<u>(2,755,507)</u>
NET CURRENT LIABILITIES		<u>(1,367,278)</u>	<u>(857,097)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,358,439)</u>	<u>(847,143)</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Share premium		27,993	27,993
Retained earnings		<u>(1,386,532)</u>	<u>(875,236)</u>
		<u>(1,358,439)</u>	<u>(847,143)</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 16 November 2022 and were signed on its behalf by:

I Horseman Sewell - Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2022

1. STATUTORY INFORMATION

CPCS Transcom UK Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company changed its accounting reference date in the prior year to be in line with the wider group companies followings its immediate parent company's acquisition by CPCS Transcom Limited on 31 December 2020.

Going concern

The company reported a loss of £511,296 in the year ended 31 August 2022 and had net liabilities of £1,358,439 at that date. The company's parent company has confirmed that it will continue to financially support the company for the foreseeable future and enable the company to meet its liabilities as they fall due. As such the directors have considered it appropriate to prepare the financial statements on the going concern basis.

Significant judgements and estimates

Amounts recoverable under contract are recognised to the extent that they are judged recoverable. Provisions are made specifically against projects where recoverability is uncertain.

Management make allowances for impairment each year based on assessment of the recoverability on individual projects.

The impairment expense is recognised in the profit and loss account which represents the excess of the asset's carrying amount and the present value of estimated future cash flows.

Revenue recognition

Revenue includes fees and expenses billed during the year and the change in work in progress at year end. Work in progress is recorded at applicable billing rates for time incurred plus project expenses. Billings to date are netted against time and expenses incurred on projects in progress at year end.

Billings in excess of time and expenses incurred represent payments received throughout the project in excess of work in progress and are included in other creditors on the balance sheet. These pre-bills are included in revenue based on the stage of completion of the contract.

Recoverable expenses related to projects are included in revenue, except for foreign taxes withheld by counterparties to contracts which are included in administrative expenses.

Overruns are recognised when the actual/projected revenue of a project, including committed costs, are expected to exceed the value of the contract. Surpluses are recognised when it is established to a reasonable degree that time and costs incurred on a project are substantially less than the portion of work completed and payment is likely to be received.

The company regularly engages subcontractors on engagements that represents potentially committed costs and by extension potential revenue at year-end. However, as the company is not able to assess with a reasonable degree of certainty what portion of agreed work has been completed by the subcontractor as at year-end the company does not accrue for these costs or revenue.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2022

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 20%

Tangible fixed assets are stated at their historic cost price less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for use. The asset's residual values, useful lives and depreciation methods are reviewed if there is an indication of significant change since the last reporting date.

On disposal the difference between the net proceeds and carrying amount of the item sold is recognised in the profit and loss account, and included in administrative expenses.

Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the company's cash management.

Interest bearing bank overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2022

2. ACCOUNTING POLICIES - continued

Foreign currencies

Foreign currency transactions are translated into the presentation 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.

All foreign exchange gains and losses are presented in profit or loss within administrative expenditure.

Pension costs and other post-retirement benefits

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

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.

Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

Holiday pay

The company recognises an accrual for holiday entitlement earned by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the subsequent financial year. The provision is measured at the salary cost payable for the period of absence including employers national insurance costs.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 19 (2021 - 18) .

4. AUDITORS' REMUNERATION

	Year Ended 31.8.22	Period 31.12.20 to 31.8.21 as restated
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>24,250</u>	<u>18,317</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2022

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 September 2021	35,077
Additions	2,180
Disposals	(634)
At 31 August 2022	<u>36,623</u>
DEPRECIATION	
At 1 September 2021	25,123
Charge for year	2,877
Eliminated on disposal	(216)
At 31 August 2022	<u>27,784</u>
NET BOOK VALUE	
At 31 August 2022	<u>8,839</u>
At 31 August 2021	<u>9,954</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 as restated
	£	£
Trade debtors	982,595	458,111
Amounts owed by group undertakings	40,326	40,927
Amounts recoverable on contract	372,755	450,593
Other debtors	<u>282,261</u>	<u>417,922</u>
	<u>1,677,937</u>	<u>1,367,553</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 as restated
	£	£
Bank overdrafts	2,766	-
Trade creditors	150,214	682,242
Amounts owed to group undertakings	2,653,984	1,151,238
Taxation and social security	63,453	525,567
Other creditors	<u>183,508</u>	<u>396,460</u>
	<u>3,053,925</u>	<u>2,755,507</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2022

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021 as restated
	£	£
Within one year	<u>44,370</u>	<u>21,600</u>

9. SECURED DEBTS

The company has allowed a fixed and floating charge over the assets of the company on behalf of another group company which has an outstanding loan with Bank of Nova Scotia.

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Peter Nicholls (Senior Statutory Auditor)
 for and on behalf of Bessler Hendrie LLP

11. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

One of the directors had an employee loan at the start of the year. The director repaid £19,269 during the year. At 31 August 2022 the balance due to the company was £38,574 (2021: £57,843). The loan is provided under the same terms as those to other employees who are not directors of the company with the exception that the repayment per annum is capped at a certain level. The loan is included within other debtors.

12. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is CPCS Transcom Limited, a company registered in Canada.

The smallest and largest group of undertakings for which group accounts have been drawn up, is that headed by CPCS Transcom Limited. The registered office address of CPCS Transcom Limited is Suite 200, 979, Bank Street, Ottawa, Ontario, Canada.

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