

Cerberus Security and Monitoring Services Limited

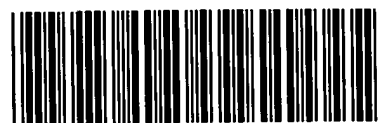
Report and Financial Statements

Year Ended

31 March 2023

Company Number 03924713

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Cerberus Security and Monitoring Services Limited

Report and financial statements for the year ended 31 March 2023

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Directors

J G Karvaski
R A Scully
P D Eglinton

Secretary and registered office

M Jeczelewska, Pennine Place, 2a Charing Cross Road, London, England, WC2H 0HF

Company number

03924713

Auditor

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Banker

Lloyds Bank plc, 8-11 Cambridge Crescent, Harrogate, HG1 1PQ

Cerberus Security and Monitoring Services Limited

Directors' report for the year ended 31 March 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Cerberus Security and Monitoring Services Limited (the "Company") is a subsidiary of Clearway (Next Wave) Holdings Limited and subsidiaries ("the Group"). This report covers the activities, strategy, performance and operations of the Company.

Principal activities

The principal activity is the installation and monitoring of alarm and CCTV systems and the provision of other security services.

The war in Ukraine

The war in Ukraine has impacted on European economies, including the cost of materials and energy. This has not had a material impact on the Company but the Company has experienced some supply chain issues in some components and equipment for hire.

Results and dividends

The loss for the year, after taxation, amounted to £704,000 (2022 - £554,000).

The Company paid a dividend of £Nil during the year (2022 - £Nil). No final dividend is proposed.

Going concern

The Company has net liabilities at 31 March 2023 of £680,000, which includes a long-term loan from its parent company, Clearway Group Holdings Limited, of £2,512,000. The Company has received a letter of support from Clearway Group Holdings Limited for at least 12 months from the date of signing these financial statements indicating that the Group will support the Company as needed over that period. While this is not legally binding the Directors have accepted this letter of support as the Company forms an integral part of the Group.

Directors

The directors who served during the year and since the balance sheet date were:

P D Eglinton (appointed 31 May 2023)
J G Karvaski (appointed 10 August 2022)
I Quinlan (resigned 31 May 2023)
R A Scully

Directors' indemnities

A directors' indemnity policy is in place covering the directors in their roles as officers of the Company.

Future developments

The Company continues to pursue opportunities to improve its performance and financial position.

Cerberus Security and Monitoring Services Limited

Directors' report *(continued)* for the year ended 31 March 2023

Disclosure of information to auditor

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

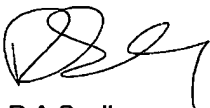
- so far as the director is aware, there is no relevant audit information of which the Company and the auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and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

Annual general meeting

In accordance with s303 of the Companies Act 2006, the members have not required the directors to call an annual general meeting of the company.

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

This report was approved on behalf of the Board on 21 December 2023



**R A Scully
Director**

Cerberus Security and Monitoring Services Limited

Directors' responsibilities statement for the year ended 31 March 2023

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). 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the 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 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.

Cerberus Security and Monitoring Services Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERBERUS SECURITY AND MONITORING SERVICES LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its loss 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.

We have audited the financial statements of Cerberus Security and Monitoring Services Limited ("the Company") for the year ended 31 March 2023 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' 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.

Cerberus Security and Monitoring Services Limited

Independent auditor's report (*continued*)

Other information (*continued*)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption 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, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Cerberus Security and Monitoring Services Limited

Independent auditor's report (*continued*)

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

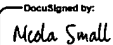
- We obtained an understanding of legal and regulatory framework through our accumulated knowledge and consideration of sector information that is applicable to the Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements and those related to the financial reporting framework (including but not limited to accounting standards in conformity with the requirements of the Companies Act 2006), Health & Safety regulations, relevant environmental regulations and tax legislation.
- We have gained an understanding as to how Cerberus Security and Monitoring Services Limited is complying with those legal and regulatory frameworks through enquiries of management and members of the Board responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes.
- The relevant laws and regulations identified, in addition to fraud risks and how and where this may occur were communicated to the audit engagement team who remained alert to any indications of fraud or non-compliance with laws and regulation throughout the audit.
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur where it is considered there was a susceptibility of fraud relating to management override of controls and improper revenue recognition. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. In addressing the risk of fraud in revenue recognition we performed substantive tests over revenue including the application of revenue recognition and testing if revenue was recognised in the correct period.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's directors, as a body, in accordance with our engagement letter dated 8 June 2023. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Nicola Small (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick
UK
21 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Cerberus Security and Monitoring Services Limited

Statement of comprehensive income for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	3	3,097	3,037
Cost of sales		(2,271)	(2,188)
		<hr/>	<hr/>
Gross profit		826	849
Administrative expenses		(1,659)	(1,513)
Other operating income	6	-	2
		<hr/>	<hr/>
Operating loss	7	(833)	(662)
Interest receivable and similar income	9	-	7
Interest payable and similar expenses	10	(38)	(2)
		<hr/>	<hr/>
Loss before tax		(871)	(657)
Taxation on loss on ordinary activities	11	167	103
		<hr/>	<hr/>
Loss for the year		(704)	(554)
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There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 10 to 19 form part of these financial statements.

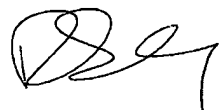
Cerberus Security and Monitoring Services Limited

Balance sheet As at 31 March 2023

Company number 03924713	Note	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Tangible assets	12		1,105		711
			<u>1,105</u>		<u>711</u>
Current assets					
Stock		-		11	
Debtors: amounts falling due after more than one year	14	352		347	
Debtors: amounts falling due within one year	13	1,011		1,208	
Cash at bank and in hand	15	131		23	
		<u>1,494</u>		<u>1,589</u>	
Creditors: amounts falling due within one year	16	(3,169)		(2,193)	
Net current assets			<u>(1,675)</u>		<u>(604)</u>
Total assets less current liabilities			<u>(570)</u>		<u>107</u>
Creditors: amounts falling due after more than one year	17		(3)		(9)
Provisions for liabilities:					
Deferred tax	19		(107)		(74)
Net (liabilities)/assets			<u>(680)</u>		<u>24</u>
Capital and reserves					
Called up share capital	20		-		-
Profit and loss account			(680)		24
			<u>(680)</u>		<u>24</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 by the Board of Directors and authorised for issue on 21 December 2023



R A Scully
Director

The notes on pages 10 to 19 form part of these financial statements.

Cerberus Security and Monitoring Services Limited

Statement of changes in equity for the year ended 31 March 2023

	Share capital £'000	Profit and loss account £'000	Total Equity £'000
At 1 April 2022	-	24	24
Loss for the year	-	(704)	(704)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	-	(680)	(680)
	<hr/>	<hr/>	<hr/>

Statement of changes in equity for the year ended 31 March 2022

	Share capital £'000	Profit and loss account £'000	Total Equity £'000
At 1 April 2021	-	578	578
Loss for the year	-	(554)	(554)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	-	24	24
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 19 form part of these financial statements.

Cerberus Security and Monitoring Services Limited

Notes forming part of the financial statements for the year ended 31 March 2023

1 Accounting policies

Basis of preparation of financial statements

Cerberus Security and Monitoring Services Limited is a limited company incorporated in England and Wales. The address of the registered office is given in the company information page of these financial statements.

The financial statements have been prepared under the historical cost convention 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 presentational currency is Pounds Sterling. All financial information presented has been rounded to the nearest thousand, unless otherwise stated.

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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.49 (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 33 - related party disclosures paragraph 33.7

The information requirements above are included in the consolidated financial statements of Clearway (Next Wave) Holdings Limited (incorporated in the United Kingdom) as at 31 March 2023 and these financial statements may be obtained from Companies House. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

Going concern

The financial statements have been prepared on a going concern basis. In order to conclude on the appropriateness of the going concern basis the directors undertook a detailed review which included review of the trading in the financial year ended 31 March 2023 and the robust trading in the current financial period to date. The directors also reviewed detailed forecasts of trading for the coming year from the date of these accounts including cash flows. These forecasts and projections were stress tested to assess the adequacy of liquidity headroom. The Company has liabilities due to its immediate parent Clearway Group Holdings Limited, from which the Directors have received a letter confirming that repayment of these liabilities will not be demanded for at least 12 months from the date of signing these financial statements. While this is not legally binding the Directors have accepted this letter of support as the Company forms an integral part of the Group. The directors concluded that the Company has sufficient financing for the foreseeable future and concluded that it is appropriate to prepare the financial statements on a going concern basis.

The following principal accounting policies have been applied:

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Cerberus Security and Monitoring Services Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

1 Accounting policies (continued)

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting year can be measured reliably;
- the costs incurred and the costs to complete the contract can be measured reliably.

As such, revenue for installation and monitoring of alarm and CCTV systems is recognised when the work is carried out and revenue from security services is recognised on a straight-line basis over the hire period.

Government grants

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related income.

Tangible fixed assets

Tangible fixed assets 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 on assets 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:

Freehold property	2% straight line
Assets for hire	20% and 25% straight line
Fixtures and fittings and equipment	20% and 25% straight line
Motor vehicles	25% 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 the statement of comprehensive income.

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.

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.

Cerberus Security and Monitoring Services Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

1 Accounting policies (continued)

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from related parties.

Creditors

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

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 the statement of comprehensive income 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.

Interest income and expense

Interest income and expense is recognised in the statement of comprehensive income using the effective interest method.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a change 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.

Cerberus Security and Monitoring Services Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

1 Accounting policies (continued)

Reserves

Called up share capital reserve represents the nominal value of the shares issued. Profit and loss account represents cumulative profits or losses, net of dividends paid.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

a) Critical judgements in applying the company's accounting policies

The Company has assessed the level and collectability of overdue receivables with reference to historic collection rates. Following this assessment, the Company has determined an appropriate provision to cover the expected level of doubtful debts.

The Company has determined the accounts should be prepared on a Going Concern basis. Details of the assessment made is described in Note 1.

No other significant judgements have had to be made by the company in preparing these financial statements.

b) Key accounting estimates and assumptions

The Company has made key assumptions regarding the useful economic life of tangible fixed assets and this is further described in Note 1 of the accounting policies. A line-by-line review of significantly aged trade debtors is carried out to assess the likelihood of the recoverability of the debtor balance.

3 Turnover

All turnover arose within the UK and is attributable to the principal activity of the Company.

4 Employees

	2023 £'000	2022 £'000
Staff costs (including directors) consist of:		
Wages and salaries	1,270	1,435
Social security costs	130	123
Defined contribution pension cost	27	26
	<hr/>	<hr/>
	1,427	1,584
	<hr/>	<hr/>

The average number of employees (including directors) during the year was as follows:

	2023 Number	2022 Number
Directors and senior management	2	1
Sales	4	4
Accounts and administration	4	5
Operations	34	35
	<hr/>	<hr/>
	44	45
	<hr/>	<hr/>

Cerberus Security and Monitoring Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 *(continued)*

5	Directors' remuneration	2023 £'000	2022 £'000
	Directors' emoluments	-	-
	The directors have been remunerated by another group company.		
6	Other operating income	2023 £'000	2022 £'000
	Government grants	-	2
7	Operating loss	2023 £'000	2022 £'000
	This is arrived at after charging:		
	Depreciation of tangible fixed assets	85	84
	Defined contribution pension cost	27	19
8	Auditors' remuneration	2023 £'000	2022 £'000
	Fees payable to the company's auditor for the audit of the Company's annual financial statements	14	13
9	Interest receivable	2023 £'000	2022 £'000
	Interest on intercompany balances	-	7
10	Interest payable and similar charges	2023 £'000	2022 £'000
	Finance lease interest payable	2	2
	Interest on intercompany balances	36	-
		38	2

Cerberus Security and Monitoring Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

11 Taxation

	2023 £'000	2022 £'000
<i>Corporation tax</i>		
Current tax credit – intercompany group relief	(193)	(114)
Adjustments in respect of prior years	(7)	16
	<hr/>	<hr/>
Total current tax credit	(200)	(98)
<i>Deferred tax</i>		
Origination and reversal of timing differences	21	(8)
Adjustment in respect of prior period	5	(15)
Tax rate changes	7	18
	<hr/>	<hr/>
Total deferred tax charge/(credit)	33	(5)
	<hr/>	<hr/>
Taxation on profit on ordinary activities	(167)	(103)
	<hr/>	<hr/>

The UK headline corporation tax rate for the period was 19% (2022: 19%). The March 2021 Budget announced a further increase of the main rate of UK corporation tax to 25% from 1 April 2023 which was substantively enacted on 24 May 2021. As the 25% Corporation Tax rate was substantively enacted by the balance sheet date, deferred tax balances as at 31 March 2022 and 31 March 2023 have been computed at 25%.

Factors affecting tax charge for the year

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 19% (2022 -19%). The differences are explained below:

	2023 £'000	2022 £'000
Loss on ordinary activities before tax	(871)	(657)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(165)	(125)
Effects of:		
Expenses not deductible for tax purposes	2	3
Tax effect of capital allowances super-deduction	(11)	-
Adjustments in respect of prior periods	-	1
Difference in tax rates	7	18
	<hr/>	<hr/>
Total tax credit for the year	(167)	(103)
	<hr/>	<hr/>

Cerberus Security and Monitoring Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 *(continued)*

12 Tangible fixed assets

	Freehold property £'000	Assets for hire £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
<i>Cost</i>					
At 1 April 2022	613	37	554	118	1,322
Additions	291	157	23	45	516
Disposals	-	-	(293)	(52)	(345)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	904	194	284	111	1,493
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 April 2022	83	5	451	72	611
Charge for year	15	13	41	16	85
Disposals	-	-	(291)	(17)	(308)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	98	18	201	71	388
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 March 2023	806	176	83	40	1,105
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	530	32	103	46	711
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows:

	2023 £'000	2022 £'000
Motor vehicles	6	32
	<hr/>	<hr/>

Cerberus Security and Monitoring Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

13 Debtors: amounts falling due within one year

	2023 £'000	2022 £'000 Restated
Trade debtors	625	783
Amounts and corporation tax owed by group undertakings	299	284
Prepayments and accrued income	87	141
	<u>1,011</u>	<u>1,208</u>

In the prior year the Company's UK Current position was reported as third party in the balance sheet in error. In the current year they have been reclassified as amounts as owed to group undertakings. The UK companies within the Group are registered as a Tax Group with HMRC allowing tax losses to be transferred to tax profit making companies through group relief. In the prior year current tax is now reported as part of the amounts owed by group undertakings. The Company's net assets and retained profits are unchanged for this adjustment.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14 Debtors: amounts falling due after more than one year

	2023 £'000	2022 £'000
Amounts owed by group undertakings	352	347

Amounts owed by group undertakings comprise £352,000 due from Clearway Group Holdings Limited which accrues interest at 12-month LIBOR + 4.0% and is repayable on 12 months' notice from the lender

15 Cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	131	23

16 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	164	325
Other taxation and social security	67	81
Accruals and deferred income	167	147
Finance lease creditor	6	12
Amounts owed to group undertakings	2,765	1,628
	<u>3,169</u>	<u>2,193</u>

Amounts owed to group undertakings comprise £1,143,000 due to Clearway Group Holdings Limited which accrues interest at 1-month LIBOR + 3.0% and is repayable on demand from the lender and the rest are unsecured, interest free and repayable on demand.

Cerberus Security and Monitoring Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2023 *(continued)*

17 Creditors: amounts falling due after more than one year

	2023 £'000	2022 £'000
Finance lease creditor	3	9
	<u>3</u>	<u>9</u>

18 Hire purchase and finance leases

	2023 £'000	2022 £'000
Minimum lease payments under hire purchase fall due as follows:		
Less than one year	6	12
Between one and five years	3	9
	<u>9</u>	<u>21</u>

Obligations under hire purchase contracts are secured on the assets to which they relate.

19 Deferred tax

	£'000	£'000
At beginning of the year	74	79
Adjustment in respect of prior years	5	(15)
Charged to the income statement	28	10
	<u>107</u>	<u>74</u>
At end of the year	107	74

The provision for deferred taxation is made up as follows:

	£'000	£'000
Accelerated capital allowances	116	75
Short term timing differences	(9)	(1)
	<u>107</u>	<u>74</u>
Provision at the year end	107	74

20 Share capital

	2023 £	2022 £
Shares classified as equity		
Allotted, called up and fully paid		
1 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

Cerberus Security and Monitoring Services Limited

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

21 Contingent liabilities, charges and guarantees

On 29 June 2020 a fixed and floating charge was placed on the Company's assets by Wilmington Trust (London) Limited as security agent on behalf of KASS Unlevered SARL and Kartesia Management SA.

The Company has guaranteed the obligations of Clearway Group Holdings Limited and The Clearway Group Limited in respect of loans.

22 Commitments under operating leases

At 31 March 2023, the Company had total future minimum lease payments under non-cancellable operating lease as follows:

	Land and buildings 2023 £'000	Land and buildings 2022 £'000
Less than one year	-	9
Between one and five years	-	-
	<hr/>	<hr/>
Total	-	9
	<hr/>	<hr/>

23 Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £27,000 (2022 - £19,000). Contributions totalling £3,000 (2022 - £Nil) were paid in advance/payable to the fund at 31 March.

24 Related party disclosures

The Company has taken advantage of the exemption in FRS 102 paragraph 33.1A from the disclosure of transactions with entities that are part of the group on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of the group are publicly available.

25 Ultimate controlling party

At the balance sheet date, the ultimate parent company was Clearway (Next Wave) Holdings Limited. The ultimate controlling party is Next Wave Partners LLP.