

Serocor Projects Limited

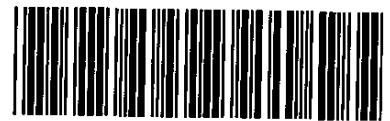
Report and Unaudited Financial Statements

Period Ended

25 December 2022

Company Number 04271510

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Serocor Projects Limited

Contents

	Page
Company Information	
Directors' Report	1
Accountants' Report	2
Statement of Income and Retained Earnings	3
Balance Sheet	4
Notes to the Financial Statements	5 - 10

Company Information

Directors	D J Wilson S T Pope L J Howgill
Company secretary	S T Pope
Registered number	04271510
Registered office	Shore House North Harbour Business Park Compass Road Portsmouth PO6 4PR

Serocor Projects Limited

Directors' Report For the Period Ended 25 December 2022

The directors present their report and the financial statements for the period ended 25 December 2022. The comparative information is for the period from 1 March 2021 to 26 December 2021.

Principal activity

The principal activity of the company is an outsourced provider of project delivery services.

Directors

The directors who served during the period were:

D J Wilson
S T Pope
L J Howgill

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for the executive directors of the company.

Subsidiary audit exemption

The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions.

This report was approved by the board on 17/10/23 and signed on its behalf.


S T Pope
Director

Serocor Projects Limited

Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Financial Statements of Serocor Projects Limited For the Period Ended 25 December 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Serocor Projects Limited for the period ended 25 December 2022 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that Serocor Projects Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Serocor Projects Limited. You consider that Serocor Projects Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Serocor Projects Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the board of directors of Serocor Projects Limited, as a body, in accordance with the terms of our engagement letter dated 4 March 2021. Our work has been undertaken solely to prepare for your approval the accounts of Serocor Projects Limited and state those matters that we have agreed to state to the board of directors of Serocor Projects Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Serocor Projects Limited and its board of directors as a body for our work or for this report.

DocuSigned by:



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BDO LLP

Chartered Accountants

Southampton

United Kingdom

Date: 20 October 2023

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

Serocor Projects Limited

Statement of Income and Retained Earnings For the Period Ended 25 December 2022

		Period ended 25 December 2022 £	Period ended 26 December 2021 £
	Note		
Turnover		727,806	435,453
Cost of sales		(525,326)	(377,617)
Gross profit		202,480	57,836
Administrative expenses		(9,235)	(81,544)
Other income	3	-	1,615
Operating profit/(loss)		193,245	(22,093)
Interest payable and expenses	5	(48,381)	(33,102)
Profit/(loss) before tax		144,864	(55,195)
Tax on profit/(loss)	6	-	-
Profit/(loss) after tax		144,864	(55,195)
Accumulated deficit at the beginning of the period		(1,084,552)	(1,029,357)
Profit/(loss) for the period		144,864	(55,195)
Accumulated deficit at the end of the period		(939,688)	(1,084,552)

The notes on pages 5 to 10 form part of these financial statements.

Serocor Projects Limited

Registered number: 04271510

Balance Sheet As at 25 December 2022

	Note	25 December 2022 £	25 December 2022 £	28 February 2021 £	28 February 2021 £
Current assets					
Debtors	7	56,923		123,990	
Cash at bank and in hand		1,086		18,189	
		<u>58,009</u>		<u>142,179</u>	
Current liabilities					
Creditors: amounts falling due within one year	8	(943,197)		(1,172,231)	
Net current liabilities			<u>(885,188)</u>		<u>(1,030,052)</u>
Total assets less current liabilities			<u>(885,188)</u>		<u>(1,030,052)</u>
Net liabilities			<u>(885,188)</u>		<u>(1,030,052)</u>
Capital and reserves					
Called up share capital	9		51,500		51,500
Share premium account	10		3,000		3,000
Profit and loss account	10		(939,688)		(1,084,552)
			<u>(885,188)</u>		<u>(1,030,052)</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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


S T Pope
Director

Date: 17/10/23

The notes on pages 5 to 10 form part of these financial statements.

Serocor Projects Limited

Notes to the Financial Statements For the Period Ended 25 December 2022

1. General information

Serocor Projects Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Going concern

The directors have considered going concern at a group level. Should the Company require funding to meet its liabilities as they fall due, this will be provided by funding from the wider group. Set out below is the going concern note included in the notes to the accounts of the ultimate parent company, Serocor Investments Limited:

The group is financed through a mixture of director loan notes, invoice discounting, bank loan and an overdraft facility.

The bank loan of £1.5m advanced in October 2021 was settled early in full in October 2023.

£950k of directors' loan notes have also been repaid since October 2021.

The accounts have been prepared on a going concern basis and the directors have undertaken detailed forecasting up to December 2024.

The forecast includes the current base rate, and the board is cognisant of the effect of further increases in interest rates. Even if interest rates were to significantly increase over current levels there is still sufficient head room to meet liabilities as they fall due.

Due to the repayment of the bank loan, covenants have been removed and therefore testing is not required as part of the forecast.

The ability of the group to service its debt is critical to the future success and growth of the business and the directors have considered the key factors that could have an impact on trading and whether adverse trading could impact the group's ability to pay its liabilities.

The forecasts reviewed take account of reasonable potential changes in trading (positive and negative) and demonstrate the group can operate within its current finance facilities in several scenarios.

With the finance structure in place and even if a decline in revenue is experienced (which is not expected by the board of directors), the directors have confidence the group has adequate financial resources to continue as a going concern.

Serocor Projects Limited

Notes to the Financial Statements For the Period Ended 25 December 2022

2. Accounting policies (continued)

2.2 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company's functional and presentational currency is GBP.

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. The directors do not consider there to be any significant estimates and judgements.

The following principal accounting policies have been applied:

2.3 Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of services to third party customers during the period. Contract revenue is recognised as work carried out in the period in which a contract is in place. Permanent placement fees are recognised in the period in which the candidate commences their new employment.

2.4 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 accounts receivable and payable, and loans from related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

Income received from the Coronavirus Job Retention Scheme (JRS) has been accounted for in accordance with the above.

2.6 Foreign currency translation

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. *Foreign currency monetary assets and liabilities are translated at the rates ruling at the Balance Sheet date.* Any differences are taken to the Statement of Income and Retained Earnings.

Serocor Projects Limited

Notes to the Financial Statements For the Period Ended 25 December 2022

2. Accounting policies (continued)

2.7 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 Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.8 Taxation

Tax is recognised in the Statement of Income and Retained Earnings 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 Statement of Income and Retained Earnings.

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.

3. Other income

	Period ended 25 December 2022 £	Period ended 26 December 2021 £
Government grants receivable	-	1,615

Government grant income in the period is from the Coronavirus Job Retention Scheme (JRS) received from HMRC.

Serocor Projects Limited

Notes to the Financial Statements For the Period Ended 25 December 2022

4. Employees

The average number of employees for the period was Nil (period ended 26 December 2021 - 2).

5. Interest payable and similar expenses

	Period ended 25 December 2022 £	Period ended 26 December 2021 £
Interest payable to group companies	48,381	33,102

6. Taxation

	Period ended 25 December 2022 £	Period ended 26 December 2021 £
Corporation tax		
Current tax on profits/(losses) for the period	-	-
Total current tax	-	-
Factors affecting tax charge for the period		

The tax assessed for the period is lower than (period ended 26 December 2021 - higher than) the standard rate of corporation tax in the UK of 19.0% (period ended 26 December 2021 - 19.0%). The differences are explained below:

	Period ended 25 December 2022 £	Period ended 26 December 2021 £
Profit/(loss) on ordinary activities before tax	144,864	(55,195)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (period ended 26 December 2021 - 19.0%)	27,524	(10,487)
Effects of:		
Deferred tax not recognised	(58,529)	32,746
Group relief surrendered	16,958	4,753
Remeasurement of deferred tax for changes in tax rates	14,047	(27,012)
Total tax charge for the period	-	-

Serocor Projects Limited

Notes to the Financial Statements For the Period Ended 25 December 2022

7. Debtors: amounts falling due within one year

	25 December 2022 £	26 December 2021 £
Trade debtors	44,390	75,572
Other debtors	-	7,082
Prepayments and accrued income	12,533	41,336
	<u>56,923</u>	<u>123,990</u>

All amounts shown under debtors fall due for payment within one year.

8. Creditors: amounts falling due within one year

	25 December 2022 £	26 December 2021 £
Trade creditors	203	17,394
Amounts owed to group undertakings	892,788	1,029,360
Other taxation and social security	140	321
Accruals and deferred income	50,066	125,156
	<u>943,197</u>	<u>1,172,231</u>

There are no amounts included under 'creditors' which are payable or repayable other than by instalments and fall due for payment or repayment after the end of the period of five years beginning with the day next following reporting date.

There are no amounts included under 'creditors' in respect of which any security has been given by the company.

9. Share capital

	25 December 2022 £	26 December 2021 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1.00 each	50,000	50,000
15,000 Ordinary shares of £0.10 each	1,500	1,500
	<u>51,500</u>	<u>51,500</u>

Serocor Projects Limited

Notes to the Financial Statements For the Period Ended 25 December 2022

10. Reserves

Share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of any dividends paid and other adjustments.

11. Contingent liabilities

There is an inter-company cross guarantee between all group companies with respect to the group's invoice discounting facility of £7,566,489 (period ended 26 December 2021 - £5,519,366).

12. Related party disclosures

The smallest group in which the results of the company are consolidated is that headed by Serocor Investments Limited. The registered office of Serocor Investments Limited is Shore House, North Harbour Business Park, Compass Road, Portsmouth.