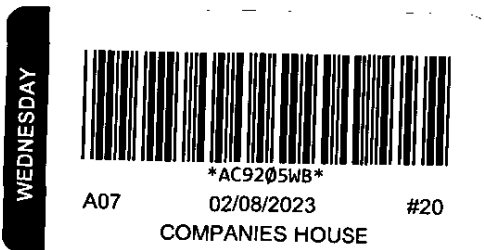


Registration number: 05072221

MSecure Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2022



MSecure Limited

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MSecure Limited

Company Information

Directors	Jason Millett Mandy Willis
Company secretary	Carolyn Pate
Registered office	155 Moorgate London EC2M 6XB
Bankers	JPMorgan Chase Bank, N.A. London 25 Bank Street Canary Wharf London E14 5JP

MSecure Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the unaudited financial statements for the year ended 31 December 2022.

Small company exemption

This report has been prepared in accordance with the special provisions of section 381 of the Companies Act 2006 relating to small companies. The directors has taken exemption under this regime not to disclose the strategic report.

Directors' of the company

The directors, who held office during the year, were as follows:

Jason Millett

Mandy Willis (appointed 31 October 2022)

Christopher Taylor (ceased 31 October 2022)

Results and dividends

The profit for the year, after tax, amounted to £10,771 (2021: Loss of £51,000).

No interim dividend was paid during the year ended 31 December 2022 (2021: £Nil). The Directors do not recommend a payment of a final dividend (2021 : £Nil).

Carbon and Energy Emissions

Information on carbon and energy emissions for the group are disclosed in the consolidated accounts of the ultimate parent company, Mace Finance Limited. These accounts are available from Companies House.

Going concern

The directors of MSecure Limited have considered the consequences of trading events and conditions it can predict now and, in the future, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

The Company's activities are supported by the parent so the going concern of the Group has also been considered as part of the going concern review of the Company. The Directors have carried out an assessment of the Group's ability to continue as a going concern for the period of at least 12 months from the date of approval of the financial statements. The assessment has involved a review of forecasts based on the Group's Business Strategy which reflects the impact of the 12 months of trading after the balance sheet date.

For that reason, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future and so it considers it appropriate for the 2022 financial accounts to be prepared on a going concern basis.

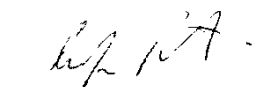
Directors' liabilities

The Company provides a directors' and officers' insurance policy which was in place during the year and remains in force at the date of this report.

Small companies provision statement

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

Approved by the board on 27 July 2023 and signed on its behalf by:



Carolyn Pate
Company secretary

MSecure Limited

Income Statement for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Turnover	4	2,445	2,219
Cost of sales		<u>(2,172)</u>	<u>(2,016)</u>
Gross profit		273	203
Administrative expenses		<u>(261)</u>	<u>(239)</u>
Operating profit/(loss)	5	12	(36)
Tax on profit/(loss)	7	<u>(1)</u>	<u>(15)</u>
Profit/(loss) for the year		<u>11</u>	<u>(51)</u>

The above results were derived from continuing operations.

There was no other comprehensive income for 2022 (2021: Nil)

MSecure Limited

(Registration number: 05072221)

Statement of Financial Position as at 31 December 2022

	Note	31 December 2022 £ 000	31 December 2021 £ 000
Non-current assets			
Property, plant and equipment	8	63	78
Current assets			
Trade and other receivables	9	1,219	1,588
Cash at bank and in hand		2,744	1,655
Tax asset		-	4
		<u>3,963</u>	<u>3,247</u>
Current liabilities			
Trade and other payables	10	(4,930)	(4,496)
Income tax liability		(83)	(90)
Deferred income		(263)	-
		<u>(5,276)</u>	<u>(4,586)</u>
Net current liabilities		<u>(1,313)</u>	<u>(1,339)</u>
Net liabilities		<u>(1,250)</u>	<u>(1,261)</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		<u>(1,250)</u>	<u>(1,261)</u>
Shareholders' deficit		<u>(1,250)</u>	<u>(1,261)</u>

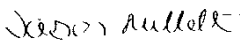
For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the board on 27 July 2023 and signed on its behalf by:



 Jason Millett
 Director

The notes on pages 6 to 14 form an integral part of these financial statements.

MSecure Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Called up share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2022	-	(1,261)	(1,261)
Profit for the year	-	11	11
Total comprehensive income	-	11	11
At 31 December 2022	-	(1,250)	(1,250)

	Called up share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	-	(1,210)	(1,210)
Loss for the year	-	(51)	(51)
Total comprehensive income	-	(51)	(51)
At 31 December 2021	-	(1,261)	(1,261)

MSecure Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

1 General information

The company is private limited company by shares incorporated in the United Kingdom and domiciled in England and Wales.

The address of its registered office is:

155 Moorgate
London
EC2M 6XB
United Kingdom

These financial statements were authorised for issue by the board on 27 July 2023.

2 Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of Adopted IFRSs, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements are prepared in Sterling which is the functional currency of the Company and have been presented in round thousands ("£'000").

Summary of disclosure exemptions

In these financial statements, the company has taken advantage of the disclosure exemptions available under FRS 101 in relation to share-based payment, business combinations, non-current assets held for sale, financial instruments, fair value measurements, capital management, revenue from contracts with customers, presentation of comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment property, presentation of a cash-flow statement, the effects of new standards not yet effective, impairment of assets and disclosures in respect of the compensation of key management personnel and of transactions with a management entity that provides key management personnel services to the company.

Going concern

The directors of MSecure Limited have considered the consequences of trading events and conditions it can predict now and, in the future, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

The Company's activities are supported by the parent so the going concern of the Group has also been considered as part of the going concern review of the Company. The Directors have carried out an assessment of the Group's ability to continue as a going concern for the period of at least 12 months from the date of approval of the financial statements. The assessment has involved a review of forecasts based on the Group's Business Strategy which reflects the impact of the 12 months of trading after the balance sheet date.

For that reason, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future and so it considers it appropriate for the 2022 financial accounts to be prepared on a going concern basis.

Changes to accounting policies as a result of new standards issued and effective

Changes to accounting policies as a result of new standards issued and effective do not have a material impact on the financial statements.

MSecure Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Standards and interpretations issued but not yet effective

A number of new standards and amendments to existing standards have been published which are mandatory but are not effective for the year ended 31 December 2022. The Directors do not anticipate that the adoption of these revised standards and interpretations will have a significant impact on the figures included in the financial statements in the period of initial application.

Revenue from Contracts with Customers

Recognition

The company earns revenue from the provision of services relating to Consult contracts include those for project and programme management, cost consultancy and advisory services.

Contracts can have multiple performance obligations depending on the nature of the services being provided. These can be clearly distinguished as they are typically separately identifiable deliverables or services with a fee specifically attributable to them. Almost all consultancy projects are deemed to be delivered over time, in accordance with the benefits being transferred to the client over time, unless there is a distinct deliverable, and the fee is contingent on the delivery of the finished product.

The most common type of contract for consultancy services are time and materials. Satisfaction of the performance obligations are measured using the input method, whereby they are based on direct labour hours, time elapsed or resources consumed, and therefore revenue is recognised over time as the services are delivered with reference to these inputs. These types of contracts are often service agreements with call offs in the forms of task orders which act as a variation or extension to the original agreement. Depending on the specifics of the call offs, they may be treated as one performance obligation or they may be treated as separate, and revenue is therefore recognised accordingly. Where there is more than one performance obligation, contract costs are recorded separately in order to calculate the expected margin attributable to each.

Some consultancy contracts are fixed fee or fixed hourly rate. Satisfaction of the performance obligations are measured using outputs such as scope deliverables or conditional milestones reached and therefore revenue is recognised over time as the services are delivered with reference to the extent to which these outputs or conditions are being completed or met.

If contracts contain an element of risk and reward, an estimate of the risk is included in the contract cost price as soon as it's deemed probable, while anticipated reward and performance bonuses are only recognised at the point that they are agreed by the customer. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

Other income / expense

Other income/ expense, as disclosed on the face of the Statement of Comprehensive Income, are items that due to their material and/or non-recurring nature have been classified separately to draw them to the attention of the readers of the financial statements and facilitates comparison with prior periods to assess trends in financial performance more readily. The Company applies judgement in identifying the significant non-recurring items of income and expense that are recognised as other income/expense.

Foreign currency transactions and balances

Transactions denominated in foreign currencies are recorded at the exchange rates in effect when they take place. Resulting foreign currency denominated assets and liabilities are translated at the exchange rates ruling at the reporting date. Exchange differences arising from foreign currency transactions are reflected in the income statement.

MSecure Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation of tangible fixed assets commences once the asset is in the condition and location to be used as intended by management. Assets under construction are not depreciated.

Depreciation is calculated so as to write off the cost of a tangible asset less its estimated residual value over the estimated useful economic life of that asset on the following basis:

Asset class	Depreciation method and rate
Leasehold improvements	Over the period of the lease on a straight-line basis, to the first break clause.
Fixtures and fittings	10% - 20% per annum on a straight-line basis.
Computer equipment and IT systems	33% per annum on a straight-line basis.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of property, plant & equipment and intangible assets excluding goodwill

Property, plant and equipment and intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable, or where there is any indication that an impairment loss recognised in a previous period either no longer exists or has decreased. When a review for impairment is conducted, the recoverable amount of an asset or a cash generating unit is determined as the higher of fair value less costs to sell and value-in-use.

The value in use estimate is calculated using discounted cash flows and reviews in conjunction with the carrying amounts of tangible and intangible assets. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with a maturity of three months or less at inception. Bank overdrafts are presented as current liabilities to the extent that there is no right of offset with cash balances.

Contingent liabilities

Contingent liabilities are possible obligations arising from past events, whose existence will only be confirmed by future uncertain events that are not wholly within the Company's control, or present obligations where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be reliably measured. If the outflow of economic resources is not considered remote, contingent liabilities are disclosed but not recognised in the financial statements.

MSecure Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

MSecure Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates prevailing in the year.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences; deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. When current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Company to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historical experiences and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The preparation of financial statements in conformity with the accounting standards requires the use of certain critical accounting estimates and assumptions that affects the reported amounts of assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually made and based on his historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

MSecure Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Valuation of trade receivables, contract assets

To measure expected credit losses, trade receivables, contract assets and contract receivables have been grouped based on shared similar credit risk characteristics and the days past due, the Company has determined this based on geographical location and customer profile.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables, the Company has therefore concluded that the expected loss rates for "not yet due" category is a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on 12-month rolling assessment, on the payment profiles of credit sales over a period of 24 months before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified customer type, the sector and geographical location of the customer is in, and the economic outlook to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in credit risk from these factors.

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2022	2021
	£ 000	£ 000
Rendering of services	<u>2,445</u>	<u>2,219</u>

5 Operating profit/(loss)

Arrived at after charging/(crediting)

	2022	2021
	£ 000	£ 000
Depreciation expense	16	16
Foreign exchange (gains) / losses	<u>(4)</u>	<u>5</u>

MSecure Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

6 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2022 £ 000	2021 £ 000
Wages and salaries	379	505
Other employee expense	6	8
	<u>385</u>	<u>513</u>

No Directors' remuneration was paid in 2022 (2021 : £Nil)

All staff are employed by either Mace Consult Limited, Mace Limited or Mace Cost Consultancy Limited. During the year the staff costs were recharged to MSecure Limited from these group companies.

It is impractical to estimate the average number of employees utilised on projects of the Company, but the average number of persons employed and utilised on projects undertaken by the Company, its parent and fellow subsidiaries is disclosed within the report and financial statements of Mace Limited.

7 Income tax

Tax charged/(credited) in the income statement

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	1	(4)
UK corporation tax adjustment to prior periods	-	19
	<u>1</u>	<u>15</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit/(loss) before tax	12	(36)
Corporation tax at standard rate	1	(7)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	-	3
Increase in current tax from unrecognised temporary difference from a prior period	-	19
Total tax charge	<u>1</u>	<u>15</u>

MSecure Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

8 Property, plant and equipment

	Computer Equipment & IT Systems £ 000	Fixtures & Fittings £ 000	Leasehold improvements £ 000	Total £ 000
Cost or valuation				
At 1 January 2022	25	2	153	180
At 31 December 2022	25	2	153	180
Depreciation				
At 1 January 2022	25	2	75	102
Charge for the year	-	-	15	15
At 31 December 2022	25	2	90	117
Carrying amount				
At 31 December 2022	-	-	63	63
At 31 December 2021	-	-	78	78

9 Trade and other receivables

	31 December 2022 £ 000	31 December 2021 £ 000
Trade and other receivables falling due within one year		
Trade receivables	177	534
Receivables from related parties	1,042	1,042
Other receivables	-	12
	<u>1,219</u>	<u>1,588</u>

MSecure Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

10 Trade and other payables

	31 December 2022 £ 000	31 December 2021 £ 000
Trade payables	64	90
Accruals	761	463
Amounts due to related parties	4,105	3,605
Other payables	-	338
	<u>4,930</u>	<u>4,496</u>

11 Contingent liabilities

The Company is party to group liabilities with its secondary bankers, Barclays PLC, across a cash pool. There is a right of set-off for entities in the pool. Whilst certain group companies have overdrawn balances, at 31 December 2022 there was no group indebtedness to its principal or secondary bankers and therefore the Directors consider no contingency arises.

12 Parent and ultimate parent undertaking

The Company's immediate parent is Mace Limited. The ultimate parent is Mace Finance Limited. These financial statements are available upon request from Companies House.

13 Share capital

Allotted, called up and fully paid shares

	31 December 2022		31 December 2021	
	No.	£	No.	£
Ordinary Share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

14 Non adjusting events after the financial period

On 1 January 2023, Mace Limited transferred the entire share capital of MSecure Limited to Mace Consult Limited for £1, by way of a share for share exchange.