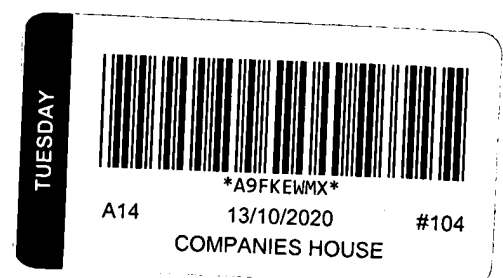


**REGISTERED NUMBER: 05218187 (England and Wales)**

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 March 2020  
for  
Pride (Serp) Ltd



Pride (Serp) Ltd (Registered number: 05218187)

Contents of the Financial Statements  
for the Year Ended 31 March 2020

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Pride (Serp) Ltd

Company Information  
for the Year Ended 31 March 2020

**DIRECTORS:**

N Goodridge  
P Harvey  
B Talbot  
S P Chaston  
T Wood  
J Ridley

**SECRETARY:**

S Pound

**REGISTERED OFFICE:**

Capital Tower  
91 Waterloo Road  
London  
SE1 8RT

**REGISTERED NUMBER:**

05218187 (England and Wales)

**AUDITORS:**

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditor  
2<sup>nd</sup> Floor  
St John's House  
Haslett Avenue West  
Crawley  
RH10 1HS

Pride (Serp) Ltd (Registered number: 05218187)

Strategic Report  
for the Year Ended 31 March 2020

The directors, in preparing this strategic report, have complied with the Companies Act 2006.

## **REVIEW OF BUSINESS**

PriDE was established to deliver the Ministry of Defence South East Regional Prime (SERP) Contract.

This is the fifteenth full year of PriDE's operations and during this period it has met its key financial and operational targets whilst continuing to deliver its remaining contractual responsibilities.

PriDE's margin is based on completing the responsibilities of the SERP contract which core services ended on 31 January 2015. We consider further the going concern implications of this in the Basis of Preparation section and in note 2 of the financial statements.

There are no expected further project works. Additional projects are undertaken via a formal offer and acceptance variation system (change control) or via a supplementary contract as required throughout the financial year.

Activity during the year has been confined to delivering outstanding contractual responsibilities.

## **KEY PERFORMANCE INDICATORS**

The company delivered its Core Services Aftercare to fully comply with key performance indicators mutually defined with the Ministry of Defence while maintaining an ongoing flow of information through operational and senior-management meetings. Core Works reporting is ongoing in line with standalone contract terms.

Robust business processes are in place to ensure compliance with both existing and emergent need over the operational year. Financial performance is assessed through the key measures of risk register management and operating profit. PriDE is dedicated to delivering sustainable shareholder value by working in partnership with its client.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

PriDE's proven performance in the delivery of a wide variety of project types, along with detailed business planning with its client to manage future costs and programmes, continues to provide a sound basis for delivery of injected works. The business will continue to complete existing projects and remain open to any opportunity for continued business with our client the Ministry of Defence.

Our contract came to an end on the 31 January 2015 following our unsuccessful bid to secure the NGEC contract which replaces the current one. No further core works projects have been secured after 2018.

Business operational risks are highlighted, managed and mitigated at site and head office levels via embedded processes along with a dedicated software system with escalation and access rights to ensure ownership and transparency. The management of risk is therefore undertaken by those best placed to remove, mitigate and control it.

The potential impact of the COVID 19 pandemic has been reviewed. Operational risk is considered low, PriDE itself has no direct employees and its current main activity is that of managing the completion of post contract aftercare issues only. Financial risk, with the company having no significant fixed cost base, a positive net cash position and no customer credit risk to consider is also considered low. Accordingly, the company considers that there is no significant risk in its ability to remain as a going concern.

## **FINANCIAL RISKS**

The company's exposure to credit risk is limited, given that it is fully dedicated to a long-term government contract. The main contract is based upon fixed margins, and supplementary contracts are individually reviewed and approved by the directors on defined operational and commercial criteria before being undertaken. The financial risks of operations are thus fully anticipated and managed. Detailed procedures for presentation, approval and payment of financial milestones under the contracts are maintained at every stage to ensure timely and efficient cash flow to the company's supply chain. Liquidity risk is controlled by careful timing of receipts and payments to ensure that these are matched at every stage of activity.

Pride (Serp) Ltd (Registered number: 05218187)

Strategic Report  
for the Year Ended 31 March 2020

#### **POST BALANCE SHEET EVENTS**

On 25 June 2020, Mitie Group plc announced the proposed merger with Interserve Support Services for a combined consideration of £271 million comprising £120 million in cash and a 23.4% shareholding in the Mitie Group. Completion of the transaction is subject to certain conditions precedent including approval by the Competition and Markets Authority and the Pensions Regulator but is expected to complete by the end of this year.

#### **FUTURE DEVELOPMENTS**

PriDE continues to provide support to DIO by providing project services and injected works after the completion of the South East Regional Prime Contract. The company continues to seek future opportunities to work with its primary customer the Ministry of Defence.

#### **GOING CONCERN**

PriDE (SERP) Limited has continued to trade profitably since 31 March 2020 and the company, at the present date, has a positive cash balance of £0.7m. The company manages its funding with its own bank account. The company has reviewed its current obligations and future funds flows and believes at the present time it has adequate facilities to fulfil its funding obligations without the need for any support from its shareholders.

The company is interested in potentially pursuing further trading opportunities with the support of both shareholders. Prior to any commitment being made, the Directors will first ensure that the company has adequate funding available for any such opportunity. Should there be any risk to the funding profile of one of the Parent companies, or PriDE, it is considered that PriDE would actively manage its own working capital so that it should have the ability to deal with any such risk from its own funds.

As a result, we consider that the company is a going concern for the foreseeable future for at least 12 months from the date of approval of these financial statements.

#### **ON BEHALF OF THE BOARD:**

*Nick Goodridge*

N Goodridge - Director

28 September 2020

Pride (Serp) Ltd (Registered number: 05218187)

Report of the Directors  
for the Year Ended 31 March 2020

The directors present their report and financial statements for the year ended 2020.

Certain requirements of the Strategic Report, including the principal risks and uncertainties of the company and the post balance sheet events are not included within the Report of the Directors as they are shown in the Strategic Report on pages 2 - 4.

Since the termination of the main contract in January 2015 we continue to deliver the requirements of the estate in terms of Minor New Works plus existing and new Core Works contracts. We also continue to seek new opportunities to work with our principal customer, the Ministry of Defence, as it continues to rationalise its estate.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was deliver its remaining commitments from the Ministry of Defence South East Regional Prime Contract.

**DIVIDENDS**

No dividend (2019: £Nil) was paid during the year.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

N Goodridge  
P Harvey  
B Talbot  
S P Chaston  
T Wood

Other changes in directors holding office are as follows:

S K Anderson - resigned 10 February 2020  
J Ridley - appointed 10 February 2020

**SUSTAINABILITY**

PriDE has a Sustainable Development Policy Statement and a Sustainable Development Management System, which is accredited to ISO 14001.

**Employees**

PriDE has no employee's therefore people-related performance data is not applicable. However, the Joint Venture partners continue to recognise the importance of training and development, with an appropriate range of technical and developmental training being available to staff throughout the year, as well as the continued availability of shared and published common Human Resource and Fraud prevention policy information.

**Payment Policy**

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

Trade creditor days of the company at 31 March 2020, calculated in accordance with the requirement of the Companies Act 2006, were 0 days (2019: 0 days). This represents the ratio, expressed in days, between the amounts invoiced to the company in the year by its suppliers and the amounts due, at the year-end, to trade creditors falling due for payment within one year.

Pride (Serp) Ltd (Registered number: 05218187)

Report of the Directors  
for the Year Ended 31 March 2020

### **Appropriateness of Joint Venture Business Systems**

Interface of Joint Ventures accounting and IT systems:

PriDE accounting systems are subject to regular external audit and are considered appropriate for the volume of transactions now being processed by the business. Regular meetings are also held providing ongoing reviews of internal procedures and effectiveness of business continuity planning.

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **ON BEHALF OF THE BOARD:**

*Nick Goodridge*

N Goodridge - Director

28 September 2020

Independent Auditors' Report to the Members of  
Pride (Serp) Ltd

**Opinion**

We have audited the financial statements of PriDE (SERP) Limited (the 'company') for the year ended 31 March 2020, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and the related 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit 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.

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

**The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.



Independent Auditors' Report to the Members of  
Pride (Serp) Ltd

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the report of the directors, 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matter on which we are required to report under the Companies Act 2006**

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 strategic report or the directors' report.

**Matters on which we are required to report by exception**

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.

**Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 8 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.

**Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

Independent Auditors' Report to the Members of  
Pride (Serp) Ltd

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditors' 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.

*Grant Thornton UK LLP*

Jonathan Maile BSc (Hons) FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Crawley  
28 September 2020

Pride (Serp) Ltd (Registered number: 05218187)Statement of Comprehensive Income  
for the Year Ended 31 March 2020

|  | Notes | 2020<br>£         | 2019<br>£           |
|--|-------|-------------------|---------------------|
| <b>TURNOVER</b>                        |       | <u>-</u>          | <u>-</u>            |
| <b>OPERATING PROFIT</b>                | 4     | -                 | -                   |
| Interest receivable and similar income | 5     | <u>2,067</u>      | <u>1,848</u>        |
| <b>PROFIT BEFORE TAXATION</b>          |       | 2,067             | 1,848               |
| Tax on profit                          | 6     | <u>(1,715)</u>    | <u>(351)</u>        |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>   |       | <u><u>352</u></u> | <u><u>1,497</u></u> |

The notes form part of these financial statements

Pride (Serp) Ltd (Registered number: 05218187)Balance Sheet31 March 2020

|  | Notes | 2020<br>£        | 2019<br>£        |
|--|-------|------------------|------------------|
| <b>CURRENT ASSETS</b>                        |       |                  |                  |
| Debtors                                      | 7     | 5,912            | 8,085            |
| Cash in hand                                 |       | <u>739,011</u>   | <u>734,771</u>   |
|  |       | 744,923          | 742,856          |
| <b>CREDITORS</b>                             |       |                  |                  |
| Amounts falling due within one year          | 8     | <u>(718,065)</u> | <u>(716,350)</u> |
| <b>NET CURRENT ASSETS</b>                    |       | <u>26,858</u>    | <u>26,506</u>    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>26,858</u>    | <u>26,506</u>    |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |
| Called up share capital                      | 9     | 100              | 100              |
| Retained earnings                            |       | <u>26,758</u>    | <u>26,406</u>    |
| <b>SHAREHOLDERS' FUNDS</b>                   |       | <u>26,858</u>    | <u>26,506</u>    |

The 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 28 September 2020 and were signed on its behalf by:

*Nick Goodridge*

N Goodridge - Director

The notes form part of these financial statements

Pride (Serp) Ltd (Registered number: 05218187)

Statement of Changes in Equity  
for the Year Ended 31 March 2020

|                                 | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>equity<br>£ |
|---------------------------------|------------------------------------|---------------------------|----------------------|
| <b>Balance at 1 April 2018</b>  | 100                                | 24,909                    | 25,009               |
| <b>Changes in equity</b>        |                                    |                           |                      |
| Total comprehensive income      | -                                  | 1,497                     | 1,497                |
| <b>Balance at 31 March 2019</b> | 100                                | 26,406                    | 26,506               |
| <b>Changes in equity</b>        |                                    |                           |                      |
| Total comprehensive income      | -                                  | 352                       | 352                  |
| <b>Balance at 31 March 2020</b> | 100                                | 26,758                    | 26,858               |

The notes form part of these financial statements

Pride (Serp) Ltd (Registered number: 05218187)

Notes to the Financial Statements  
for the Year Ended 31 March 2020

1. **STATUTORY INFORMATION**

Pride (Serp) 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**

PriDE (SERP) Ltd is a company incorporated in the United Kingdom under the Companies Acts. The address of the registered office is given on page 1. The nature of the company's operation and its principal activities are set out in the strategic report on pages 2 to 5.

These financial statements were prepared in accordance with FRS 102 (Financial Reporting Standard 102) as issued by the Financial Reporting Council.

These financial statements have been prepared on the historical cost basis and are presented in sterling which is the functional currency of the company.

**Going Concern**

PriDE (SERP) Limited has continued to trade profitably since 31 March 2020 and the company, at the present date, has a positive cash balance of £0.7m. The company manages its funding with its own bank account. The company has reviewed its current obligations and future funds flows and believes at the present time it has adequate facilities to fulfil its funding obligations without the need for any support from its shareholders.

The company is interested in potentially pursuing further trading opportunities with the support of both shareholders. Prior to any commitment being made, the Directors will first ensure that the company has adequate funding available for any such opportunity. Should there be any risk to the funding profile of one of the Parent companies, or PriDE, it is considered that PriDE would actively manage its own working capital so that it should have the ability to deal with any such risk from its own funds.

As a result, we consider that the company is a going concern for the foreseeable future for at least 12 months from the date of approval of these financial statements.

Pride (Serp) Ltd (Registered number: 05218187)

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

## 2. ACCOUNTING POLICIES – continued

### **Critical accounting judgements and key sources of estimation uncertainty**

PriDe (SERP) Ltd holds an accruals balance at the yearend reflecting expected costs to be incurred on remedial aftercare for projects that were completed by the entity under the core contract. Judgement exists in determining the exact level of accrual required for any remedial aftercare work which may need to be performed by PriDe (SERP) Ltd

### **Changes in accounting policies**

IFRS 16 Leases replaces IAS 17 Leases along with three Interpretations (IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease).

The adoption of this new Standard would have resulted in the company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

For contracts in place at the date of initial application, the company would have elected to apply the definition of a lease from IAS 17 and IFRIC 4 and would not have applied IFRS 16 to arrangements that were previously not identified as a lease under IAS 17 and IFRIC 4.

At this date, the company would have also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the company would have relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

There was no impact as a result of transition to IFRS16 in the Companies accounts of the year ended 31 March 2020.

### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## 3. DIRECTORS' EMOLUMENTS

During the current and prior period the company did not have any employees, other than the directors.

No emoluments were payable to the directors for their services to this company during the period. Messrs Goodridge and Talbot were remunerated for their services by Interserve (Defence) Limited. P Harvey was remunerated for his services by Interserve Construction Limited. T Wood, S Chaston, S Anderson and J Ridley were remunerated for their services by SSE Contracting Limited. It is not practicable to allocate the directors' remuneration between the companies of which they are directors.

## 4. OPERATING PROFIT

The audit fee of £10.5k (2018: £10.5k) has been borne by Interserve Defence Limited.

Pride (Serp) Ltd (Registered number: 05218187)

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

5. **INTEREST RECEIVABLE AND SIMILAR INCOME**

|                      | 2020         | 2019         |
|----------------------|--------------|--------------|
|                      | £            | £            |
| Bank interest income | <u>2,067</u> | <u>1,848</u> |

6. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

|                    | 2020         | 2019       |
|--------------------|--------------|------------|
|                    | £            | £          |
| Current tax:       |              |            |
| UK corporation tax | <u>1,715</u> | <u>351</u> |
| Tax on profit      | <u>1,715</u> | <u>351</u> |

UK corporation tax has been charged at 19% (2019 - 19%).

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

|   | 2020         | 2019         |
|---|--------------|--------------|
|   | £            | £            |
| Profit before tax   | <u>2,067</u> | <u>1,848</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%) | 393          | 351          |
| Effects of:   |              |              |
| Adjustments to tax charge in respect of previous periods                                | <u>1,322</u> | -            |
| Total tax charge  | <u>1,715</u> | <u>351</u>   |

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

|               | 2020         | 2019         |
|---------------|--------------|--------------|
|               | £            | £            |
| Other debtors | <u>5,912</u> | <u>8,085</u> |

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

|                                    | 2020           | 2019           |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Amounts owed to group undertakings | 75,778         | -              |
| Taxation and social security       | 1,741          | 26             |
| Other creditors                    | <u>640,546</u> | <u>716,324</u> |
|                                    | <u>718,065</u> | <u>716,350</u> |

The other creditors balance relates to contract closure and aftercare costs.



Pride (Serp) Ltd (Registered number: 05218187)

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**9. CALLED UP SHARE CAPITAL**

| Allotted, issued and fully paid: |                              | Nominal<br>value: | 2020<br>£ | 2019<br>£ |
|----------------------------------|------------------------------|-------------------|-----------|-----------|
| Number:                          | Class:                       |                   |           |           |
| 50                               | 50 'A' Class ordinary shares | £1                | 50        | 50        |
| 50                               | 50 'B' Class ordinary shares | £1                | <u>50</u> | <u>50</u> |
|                                  |                              |                   | 100       | 100       |

**10. RELATED PARTY TRANSACTIONS**

Interserve (Defence) Ltd has a 50% shareholding in PriDE (SERP) Limited. During the year, Interserve (Defence) Limited settled costs of £76k on behalf of PriDE (SERP) Limited. At the year end £76k (2019: nil) was due from PriDE (SERP) Limited to Interserve (Defence) Limited. This amount is held in Note 7.

**11. POST BALANCE SHEET EVENTS**

On 25 June 2020, Mitie Group plc announced the proposed merger with Interserve Support Services for a combined consideration of £271 million comprising £120 million in cash and a 23.4% shareholding in the Mitie Group. Completion of the transaction is subject to certain conditions precedent including approval by the Competition and Markets Authority and the Pensions Regulator but is expected to complete by the end of this year.

**12. CONTROLLING PARTIES**

PriDE (SERP) Ltd is a joint venture between Interserve (Defence) Limited (50%) and SSE Contracting Limited (50%). Both companies are incorporated in Great Britain and registered in England and Wales.