

Company registration number 08660800 (England and Wales)

ORISEC LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2023

ORISEC LIMITED

COMPANY INFORMATION

Directors	Mr Philip Clifford Stewart Mr Jonathan David Green	(Appointed 17 November 2022)
Company number	08660800	
Registered office	Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY	
Auditor	Pierce C A Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY	
Business address	8A London Road Alderley Edge Cheshire SK9 7JS	
Bankers	HSBC Bank Plc 11 Stamford New Road Altrincham Cheshire WA14 1BW	

ORISEC LIMITED

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ORISEC LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 28 MARCH 2023

The directors present the strategic report for the period ended 28 March 2023.

Review of the business

The company's performance during the financial period to 28 March 2023 showed significant increases in sales, profit and client base and highlights continued efficiency drives and growth. Sales in the UK reached a record level. Orisec are now selling directly to many of the UK's largest NSI and SSAIB professional installation companies and buying groups.

The company continues to grow not only in the UK, but also internationally, where we have expanded in several export markets including BeNeLux, South Africa and the Middle East, producing record international sales.

Orisec prides itself on being a leading UK manufacturer. Our international customers tell us that the Union Jack flag on our product packaging is a great selling point for their customers.

More and more of our products are being granted independent third-party European certification, significantly increasing the potential customer base and opening up new markets.

The company continues to expand and protect its large portfolio of intellectual property, including patents, registered designs and trademarks. This "competitive moat" leads to growing customer loyalty and increasing brand awareness in our target markets.

The business continues to grow and be recognised as offering innovative, high quality products. Our ambitious R&D programme ensures a continual pipeline of new and innovative patented products. This further benefits the business with R&D tax credits and Patent Box corporation tax relief.

Continued investment in test equipment enables us to test all products sold, significantly improving reliability compared with simple batch testing.

Exceptional customer service, training and technical support are key to our customers' experience and we continue to expand and improve in both these areas. Our customers tell us this is an industry leading experience.

The company does not provide profit guidance but confirm it looks forward to a year of meaningful progress in both profitability and cash generation, with improvement in profitability driven by an increase in margins. It also attributes the upbeat forecast to a marked improvement in profitability due to expected continual release of new hardware and software throughout all of 2024.

Principal risks and uncertainties

Principal risks identified, reviewed and rated, are as follows:

Electronic supply chain shortages and inflationary pressures have affected other manufacturers' abilities to make sales and ship products. Orisec has developed a robust supply chain structure to mitigate this based on UK sourced manufacturers and suppliers wherever possible, and are therefore able to meet the growing demand with very short or zero lead times with next day shipping and no order backlog.

Outside of the UK, the company sales are predominantly made in Euro and US Dollars. Foreign exchange risk is mitigated by purchases from selected suppliers in those currencies.

Brexit risk – scenario planning has identified minimal risks for the company from Brexit.

Low cost products from foreign competitors often attempt to enter our markets. We stay ahead of these by offering premium products with innovative features and expanding our product range.

ORISEC LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2023

Key performance indicators

The directors have identified that the company's sales and margins are key performance indicators, and as such are reviewed and monitored by management on a continual basis.

The business has seen turnover grow by 11% (2022 – 43%).

Continued efficiency drives are yielding improved levels of gross profitability. Gross margin is 54.2% (2022 – 51.4%).

Operating margins before exceptional items have improved to 12.9% (2022 – 10%).

The fixed assets have been independently revalued at £1,802,132 (2022 - £549,126) resulting in the net worth on the balance sheet improving by £2,323,165, giving our stakeholders including customers, suppliers and employees further confidence in the financial strength of the company.

Further developments

Innovation – the company continues to invest in research and development.

Customers – the company continues to have active discussions regarding potential new business with a focus on Export Sales.

Products – the company continues to widen with Patents for many new items currently in the pipeline.

Share transaction – on 22 December 2023 the director loan account totalling £8,458,844 was capitalised in to 8,458,844 redeemable preference shares of £1 each.

On behalf of the board

.....
Mr Philip Clifford Stewart
Director

Date:

ORISEC LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 28 MARCH 2023

The directors present their annual report and financial statements for the period ended 28 March 2023.

Principal activities

The principal activity of the company continued to be that of the design, manufacture and sale of security systems.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr Philip Clifford Stewart

Mr Jonathan David Green

(Appointed 17 November 2022)

Post reporting date events

On 22 December 2023 the director loan account totalling £8,458,844 was capitalised into 8,458,844 redeemable preference shares of £1 each.

Auditor

Pierce C A Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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;
- 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

ORISEC LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2023

On behalf of the board

Mr Philip Clifford Stewart
Director

6 February 2024

ORISEC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORISEC LIMITED

Qualified opinion on financial statements

We have audited the financial statements of Orisec Limited (the 'company') for the period ended 28 March 2023 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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, except for the effects of the matter described in the basis for qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 March 2023 and of its profit for the period 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 qualified 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.

Whilst we did attend the stocktake for the period ended 28 March 2023, we did not attend the stocktake of the company for the year ended 29 March 2022. We have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves by alternative means concerning the inventory held at 29 March 2022 which was stated at the balance sheet date at £2,440,557.

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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.

ORISEC LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ORISEC LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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 and 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

ORISEC LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ORISEC LIMITED

In identifying and assessing risks of material misstatement in respect of irregularities we considered the following:

- The nature of the industry and the company's control environment.
- Results of our enquiries of management.
- The company's procedures and controls on compliance with laws and regulations and the risks of fraud.
- Discussions among the audit engagement team concerning potential indicators of fraud.

We are also required to perform specific procedures to respond to the risk of management override.

As a result of our audit procedures we did not identify a material risk of fraud or other non-compliance with laws and regulations.

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.

Other matters

The corresponding figures were unaudited on the basis that the company was exempt from the requirement to audit. Our opinion is not modified in respect of this matter.

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 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.

Simon Diggle (Senior Statutory Auditor)
For and on behalf of Pierce C A Limited

13 February 2024

Statutory Auditor

Mentor House
Ainsworth Street
Blackburn
Lancashire
BB1 6AY

ORISEC LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 28 MARCH 2023

		Period ended 28 March 2023 £	Year ended 29 March 2022 £
	Notes		
Turnover		7,888,461	7,106,556
Cost of sales		(3,615,615)	(3,456,097)
Gross profit		4,272,846	3,650,459
Administrative expenses		(3,326,408)	(2,965,133)
Other operating income		68,294	22,118
Operating profit	3	1,014,732	707,444
Interest payable and similar expenses		(943)	(968)
Exceptional item	9	(467,019)	-
Profit before taxation		546,770	706,476
Tax on profit	6	425,000	738
Profit for the financial period		971,770	707,214

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ORISEC LIMITED

BALANCE SHEET

AS AT 28 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	7		1,802,132		549,127
Current assets					
Stocks		3,046,128		2,440,557	
Debtors	9	2,892,299		2,510,024	
Cash at bank and in hand		36,861		67,510	
		5,975,288		5,018,091	
Creditors: amounts falling due within one year	10	(1,432,090)		(1,531,521)	
Net current assets			4,543,198		3,486,570
Total assets less current liabilities			6,345,330		4,035,697
Creditors: amounts falling due after more than one year	11		(8,582,033)		(8,595,565)
Net liabilities			(2,236,703)		(4,559,868)
Capital and reserves					
Called up share capital	13		1		1
Revaluation reserve	14		1,351,395		-
Profit and loss reserves			(3,588,099)		(4,559,869)
Total equity			(2,236,703)		(4,559,868)

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 6 February 2024 and are signed on its behalf by:

Mr Philip Clifford Stewart
Director
Company Registration No. 08660800

ORISEC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 MARCH 2023

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 30 March 2021	1	-	(5,267,083)	(5,267,082)
Period ended 29 March 2022:				
Profit and total comprehensive income	-	-	707,214	707,214
Balance at 29 March 2022	1	-	(4,559,869)	(4,559,868)
Period ended 28 March 2023:				
Profit	-	-	971,770	971,770
Other comprehensive income:				
Revaluation of tangible fixed assets	-	1,351,395	-	1,351,395
Total comprehensive income	-	1,351,395	971,770	2,323,165
Balance at 28 March 2023	1	1,351,395	(3,588,099)	(2,236,703)

ORISEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 MARCH 2023

1 Accounting policies

Company information

Orisec Limited is a private company limited by shares incorporated in England and Wales. The registered office is Mentor House, Ainsworth Street, Blackburn, Lancashire, BB1 6AY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company.

The financial statements have been prepared under the historical cost convention, modified to include fixed assets at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

The financial statements of the company are consolidated in the financial statements of Orisec (Holdings) Limited. These consolidated financial statements are available from its registered office.

1.2 Going concern

The company receives ongoing financial support from a director. The director has confirmed his intention to continue providing financial support to the entity for a period of at least 12 months from the date of approving the financial statements.

The company has continued to increase revenue and profitability since the balance sheet date, which is having a significant positive effect on the ability to generate cash. In addition, on 22 December 2023, the director loan account of £8,458,844 was capitalised into 8,458,844 redeemable preference shares of £1 each.

Accordingly, at the time of approving the financial statements, the directors are of the opinion that the company will remain viable for the foreseeable future and therefore these financial statements have been prepared on the going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ORISEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2023

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% straight line
Fixtures, fittings & equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ORISEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2023

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ORISEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2023

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with via equity. Deferred tax assets and liabilities are offset if, and only if, there is a legal enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

ORISEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2023

1 Accounting policies

(Continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not believe that there are any accounting policies that would be likely to produce materially different results should there be a change to the underlying judgements, estimates and assumptions.

3 Operating profit

	2023	2022
	£	£
Operating profit for the period is stated after (crediting):		
Government grants	(61,600)	-
	<u> </u>	<u> </u>

ORISEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2023

4 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	10,000	-
	<u>10,000</u>	<u>-</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2023	2022
	Number	Number
Total	87	72
	<u>87</u>	<u>72</u>

6 Taxation

	2023	2022
	£	£
Current tax		
Adjustments in respect of prior periods	-	(738)
	<u>-</u>	<u>(738)</u>
Deferred tax		
Origination and reversal of timing differences	(425,000)	-
	<u>(425,000)</u>	<u>-</u>
Total tax credit	<u>(425,000)</u>	<u>(738)</u>

The company has losses of circa £3.9m available to carry forward and offset against future trading profits. A deferred tax asset has been recognised at a tax rate of 25% against the future taxable profits that are expected to crystallise over the next three financial years.

ORISEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2023

7 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2022	2,971,995
Additions	133,674
Revaluation	1,351,395
	<hr/>
At 28 March 2023	4,457,064
	<hr/>
Depreciation and impairment	
At 1 April 2022	2,422,868
Depreciation charged in the period	232,064
	<hr/>
At 28 March 2023	2,654,932
	<hr/>
Carrying amount	
At 28 March 2023	1,802,132
	<hr/>
At 29 March 2022	549,127
	<hr/>

On 15 November 2023, the plant, equipment fixtures and fittings were revalued by Eddisons Commercial Limited, a firm of chartered surveyors based in the United Kingdom. The directors have taken the view that whilst the valuation was completed after the year-end, the actual valuation uplift of £1.351m best reflects the true valuation of the assets at the balance sheet date.

The historic cost of the fixed assets held at valuation is £3,105,669. Cumulative depreciation charged on the historic cost of the assets is £2,654,932.

8 Fixed asset investments

Orisee Limited owns Orisee South Africa (PTY) Limited, a limited company based in South Africa.

9 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	2,347,583	1,844,175
Corporation tax recoverable	-	98,683
Other debtors	119,716	567,166
	<hr/>	<hr/>
	2,467,299	2,510,024
	<hr/>	<hr/>

ORISEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2023

9 Debtors		(Continued)	
	2023	2022	
	£	£	
Amounts falling due after more than one year:			
Deferred tax asset	425,000	-	
	<u> </u>	<u> </u>	
Total debtors	2,892,299	2,510,024	
	<u> </u>	<u> </u>	

Included within other debtors is a loan owed by the company's subsidiary totalling £nil (2022 - £467,019). The amount has been provided against, in full, as an exceptional item during the period.

10 Creditors: amounts falling due within one year		2023	2022
		£	£
Bank loans	10,000	10,647	
Trade creditors	1,049,841	1,224,385	
Taxation and social security	318,958	266,106	
Other creditors	53,291	30,383	
	<u> </u>	<u> </u>	
	1,432,090	1,531,521	
	<u> </u>	<u> </u>	

11 Creditors: amounts falling due after more than one year		2023	2022
		£	£
Bank loans and overdrafts	22,389	31,447	
Other creditors	8,559,644	8,564,118	
	<u> </u>	<u> </u>	
	8,582,033	8,595,565	
	<u> </u>	<u> </u>	

Other creditors represents a director loan account which is secured by a fixed and floating charge over all current and future assets of the company.

The bank loan is a loan provided under the bounce back loan scheme secured by the government.

ORISEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 MARCH 2023

12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2023 £	Assets 2022 £
Balances:		
Tax losses	425,000	-
	<u> </u>	<u> </u>
Movements in the period:		2023 £
Liability at 1 April 2022		-
Credit to profit or loss		(425,000)
		<u> </u>
Asset at 28 March 2023		(425,000)
		<u> </u>

The company has losses of circa £3.9m available to carry forward and offset against future trading profits. A deferred tax asset has been recognised at a tax rate of 25% against the future taxable profits that are expected to crystallise over the next three financial years.

13 Called up share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary share of £1 each	1	1	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 Revaluation reserve

	2023 £	2022 £
At the beginning of the period	-	-
Revaluation surplus arising in the period	1,351,395	-
	<u> </u>	<u> </u>
At the end of the period	1,351,395	-
	<u> </u>	<u> </u>

15 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £262,500 (2022 - £337,500).

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