

Company Registration No. 12125540 (England and Wales)

**SCX KINETIC LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# SCX KINETIC LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J Cunningham P Greves M Puttick A Whitworth S Henning Dr K A Noble	(Appointed 30 June 2021) (Appointed 12 August 2021)
<b>Company number</b>	12125540	
<b>Registered office</b>	30 Roman Ridge Road Sheffield S9 1GA	
<b>Auditor</b>	BHP LLP 2 Rutland Park Sheffield S10 2PD	
<b>Bankers</b>	HSBC UK Bank plc 4th Floor City Point 29 King Street Leeds LS1 2HL	

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# **SCX KINETIC LIMITED**

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# **SCX KINETIC LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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The directors present the strategic report for the year ended 31 March 2021.

### **Fair review of the business**

The company is an intermediate company within the group headed by SCX Kinetic Holdings Limited. Performance of the wider group is disclosed within the ultimate parent company's financial statements.

The company was incorporated on 26 July 2019 for the purpose of the acquisition of SCX Special Projects Limited and its immediate parent company. SCX Special Projects Holdings Limited, together with its subsidiary SCX Special Projects Limited, were acquired by SCX Kinetic Limited on 31 January 2020. SCX Kinetic Limited is a subsidiary of Kinetic Solutions Group Limited (formerly SCX Kinetic Holdings Limited), which is controlled by funds managed by Elysian Capital LLP.

An element of the funding secured to acquire the SCX Special Projects Group is held by the company, comprising bank term loans and shareholder loan notes.

### **Principal risks and uncertainties**

The company is an intermediate company within the group headed by Kinetic Solutions Group Limited (formerly SCX Kinetic Holdings Limited). Risks and uncertainties affecting the group are disclosed within the ultimate parent company's financial statements. rtainties affecting the group are disclosed within the ultimate parent company's financial statements.

On behalf of the board

S Henning  
**Director**

29 September 2021

# **SCX KINETIC LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 MARCH 2021***

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The directors present their annual report and financial statements for the year ended 31 March 2021.

#### **Principal activities**

The company was incorporated on 26 July 2019. Its principal activity is that of a holding company.

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

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

J Cunningham

P Greves

M Puttick

S Stead

(Resigned 12 August 2021)

A Whitworth

S Henning

(Appointed 30 June 2021)

Dr K A Noble

(Appointed 12 August 2021)

#### **Auditor**

The auditor, BHP LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **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.

On behalf of the board

S Henning

**Director**

12 September 2021

## **SCX KINETIC LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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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.

# SCX KINETIC LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SCX KINETIC LIMITED

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### Opinion

We have audited the financial statements of SCX Kinetic Limited (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account, the statement of comprehensive income, 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 FRS 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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.

### 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.

### 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 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.

## **SCX KINETIC LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF SCX KINETIC LIMITED**

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

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 where 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**

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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experiences of the company's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation and data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence throughout;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.



## **SCX KINETIC LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF SCX KINETIC LIMITED**

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- discussions with senior management regarding relevant regulations and reviewing the company's legal and professional fees.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the director's and other management and the inspection of regulatory and legal correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Use of our report**

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

**Paul Winwood (Senior Statutory Auditor)**  
**For and on behalf of BHP LLP**

29 September 2021

**Chartered Accountants**  
**Statutory Auditor**

2 Rutland Park  
Sheffield  
S10 2PD

## SCX KINETIC LIMITED

### PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 MARCH 2021*

		Year ended 31 March 2021 £	Period ended 31 March 2020 £
Administrative expenses	Notes	(605,870)	(102,208)
Other operating income		528,847	98,408
<b>Operating loss</b>		<b>(77,023)</b>	<b>(3,800)</b>
Interest payable and similar expenses	5	(1,260,844)	(206,972)
<b>Loss before taxation</b>		<b>(1,337,867)</b>	<b>(210,772)</b>
Tax on loss	6	60,500	-
<b>Loss for the financial year</b>		<b>(1,277,367)</b>	<b>(210,772)</b>

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

# SCX KINETIC LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 MARCH 2021*

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	Year ended 2021 £	Period ended 2020 £
Loss for the year	(1,277,367)	(210,772)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(1,277,367)</u>	<u>(210,772)</u>

# SCX KINETIC LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	7	25,270,402		24,736,823	
<b>Current assets</b>					
Debtors	9	63,837		96,892	
Cash at bank and in hand		130,039		948,346	
		<u>193,876</u>		<u>1,045,238</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,864,578)</u>		<u>(2,373,608)</u>	
<b>Net current liabilities</b>			<u>(3,670,702)</u>		<u>(1,328,370)</u>
<b>Total assets less current liabilities</b>			21,599,700		23,408,453
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(17,343,614)</u>		<u>(17,875,000)</u>
<b>Net assets</b>			<u>4,256,086</u>		<u>5,533,453</u>
<b>Capital and reserves</b>					
Called up share capital	15		2		2
Share premium account			5,744,223		5,744,223
Profit and loss reserves			<u>(1,488,139)</u>		<u>(210,772)</u>
<b>Total equity</b>			<u>4,256,086</u>		<u>5,533,453</u>

The financial statements were approved by the board of directors and authorised for issue on 29 September 2021 and are signed on its behalf by:

S Henning  
Director

Company Registration No. 12125540

# SCX KINETIC LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 April 2019</b>		-	-	-	-
<b>Period ended 31 March 2020:</b>					
Loss and total comprehensive income for the period		-	-	(210,772)	(210,772)
Issue of share capital	15	2	5,744,223	-	5,744,225
<b>Balance at 31 March 2020</b>		2	5,744,223	(210,772)	5,533,453
<b>Year ended 31 March 2021:</b>					
Loss and total comprehensive income for the year		-	-	(1,277,367)	(1,277,367)
<b>Balance at 31 March 2021</b>		2	5,744,223	(1,488,139)	4,256,086

# SCX KINETIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### 1 Accounting policies

#### Company information

SCX Kinetic Limited is a private company limited by shares incorporated in England and Wales. The registered office is 30 Roman Ridge Road, Sheffield, S9 1GA.

#### 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. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. 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;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Kinetic Solutions Group Limited (formerly SCX Kinetic Holdings Limited). These consolidated financial statements are available from its registered office.

#### 1.2 Going concern

The directors have reviewed the performance of the wider group and considered the impact of the COVID-19 pandemic on the group's trade, workforce and supply chain, as well as the wider economy. Whilst it is not considered practical to accurately assess the duration or extent of the disruption, the directors have reviewed the performance in the year, the outlook including the order book, the liquidity position of the group and facilities available to it and concluded that, at the time of approving the financial statements, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors therefore continue to adopt the going concern basis of preparation for these financial statements.

# SCX KINETIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.4 Borrowing costs

The cost of arranging loans and bank facilities are capitalised and amortised over the life of the loan it relates to.

#### 1.5 Cash and cash equivalents

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.

#### 1.6 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.

##### **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.

# SCX KINETIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### **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.

#### **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.



# SCX KINETIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

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

### 1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 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 is 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 in equity. Deferred tax assets and liabilities are offset when the company has a legally 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.

### 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.

# SCX KINETIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.11 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.

### 3 Employees

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

	2021 Number	2020 Number
Directors	2	2
Management	3	3
Total	5	5

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	419,508	77,971
Social security costs	52,060	11,274
Pension costs	56,548	9,163
	528,116	98,408

## SCX KINETIC LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 4 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	207,421	38,386
Company pension contributions to defined contribution schemes	25,581	4,074
	<u>233,002</u>	<u>42,460</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	139,541	25,815
Company pension contributions to defined contribution schemes	13,815	1,895
	<u>153,356</u>	<u>27,710</u>

#### 5 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	284,188	46,300
Interest on loan notes	976,656	160,672
	<u>1,260,844</u>	<u>206,972</u>

#### 6 Taxation

	2021 £	2020 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(60,500)	-
	<u>(60,500)</u>	<u>-</u>

# SCX KINETIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 6 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	(1,337,867)	(210,772)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(254,195)	(40,047)
Unutilised tax losses carried forward	-	40,047
Movement in deferred tax not recognised	(8,452)	-
Group relief	202,147	-
Taxation credit for the year	(60,500)	-

### 7 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	8	25,270,402	24,736,823

#### Movements in fixed asset investments

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 April 2020	24,736,823
Additions	533,579
At 31 March 2021	25,270,402
<b>Carrying amount</b>	
At 31 March 2021	25,270,402
At 31 March 2020	24,736,823

### 8 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

# SCX KINETIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 8 Subsidiaries (Continued)

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
SCX Special Projects Holdings Limited	30 Roman Ridge Road, Sheffield, S9 1GA	Ordinary	100.00	-
SCX Special Projects Limited	30 Roman Ridge Road, Sheffield, S9 1GA	Ordinary	0	100.00

### 9 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	3,337	1
Other debtors	-	96,891
	<u>3,337</u>	<u>96,892</u>
Deferred tax asset (note 13)	60,500	-
	<u>63,837</u>	<u>96,892</u>

### 10 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans	12	-	150,000
Amounts owed to group undertakings		3,629,020	1,730,775
Other creditors		25,390	-
Accruals and deferred income		210,168	492,833
		<u>3,864,578</u>	<u>2,373,608</u>

### 11 Creditors: amounts falling due after more than one year

	Notes	2021	2020
		£	£
Debenture loans	12	12,843,614	12,025,000
Bank loans and overdrafts	12	4,500,000	5,850,000
		<u>17,343,614</u>	<u>17,875,000</u>
Amounts included above which fall due after five years are as follows:			
Payable other than by instalments		<u>17,343,614</u>	<u>16,525,000</u>

# SCX KINETIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 12 Loans and overdrafts

	2021 £	2020 £
Debenture loans	12,843,614	12,025,000
Bank loans	4,500,000	6,000,000
	<u>17,343,614</u>	<u>18,025,000</u>
Payable within one year	-	150,000
Payable after one year	<u>17,343,614</u>	<u>17,875,000</u>

Bank facilities are secured by fixed and floating charges over the assets of the Group.

Debenture loans are unsecured.

On 31 January 2020, the Group entered into a term loan agreement. The term loan agreement provides Kinetic Solutions Group Limited and the wider group up to £9 million consisting of an A facility providing up to £1.5 million repayable in instalments until December 2024, a B facility providing up to £4.5 million repayable in January 2026 and a revolving facility of up to £3 million repayable in January 2025.

The facilities bear interest at a rate per annum equal to LIBOR plus an applicable margin between 3.5% and 4.0% per annum.

The outstanding balance at the year end is £4,500,000 (2020: £6,000,000).

The Group also entered into loan note agreements on 31 January 2020 with funds managed by Elysian Capital LLP and managers. The total amount of £12,025,000 was issued in loan notes, repayable in January 2027, or earlier if a qualifying condition is satisfied. Interest on the loan notes accrue at a rate of 8% per annum and is compounded until the interest is repaid.

### 13 Deferred taxation

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

	Assets 2021 £	Assets 2020 £
<b>Balances:</b>		
Short term timing differences	<u>60,500</u>	<u>-</u>
<b>Movements in the year:</b>		2021 £
Liability at 1 April 2020		-
Charge to profit or loss		<u>60,500</u>
Asset at 31 March 2021		<u>60,500</u>

## SCX KINETIC LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 13 Deferred taxation (Continued)

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

#### 14 Retirement benefit schemes

	2021	2020
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	56,548	9,163

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 15 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	2	2	2	2

#### 16 Related party transactions

The company has issued loan notes with a nominal value of £8,784,032 (2020: £8,668,140) to Elysian Capital II LP and £605,626 (2020: £597,636) to Elysian Capital Executive Management LP. The loan notes bear interest at 8% compounded annually. The group and Elysian Capital LLP are related parties due to the existence of common members / directorships and because the private equity funds Elysian Capital II LP and Elysian Capital Executive Management LP, which are managed by Elysian Capital LLP, own a controlling interest in Kinetic Solutions Group Limited. Total interest payable during the year is £702,723 (2020: £115,892) and £48,450 (2020: £7,990) respectively. The total balances at the year-end are £9,486,754 (2020: £8,784,032) nominal and £1,794 (2020: £254) of interest to Elysian Capital II LP and £597,636 (2020: £605,626) nominal and £56,440 (2020: £7,990) of interest to Elysian Capital Executive Management LP.

The group was charged £33,552 (2020: £3,800) in the year for a range of management services by Elysian Capital LLP. The amount outstanding at 31 March 2021 was £12,650 (2020: £nil).

#### 17 Ultimate controlling party

The Group is controlled by Elysian Capital II LP on the basis that it holds a controlling interest in the voting rights of Kinetic Solutions Group Limited.

The smallest and largest set of consolidated accounts which includes the results of SCX Kinetic Limited are prepared by Kinetic Solutions Group Limited. Copies of which are available from the Registrar.

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.