

Company Registration No. 04217114 (England and Wales)

Secarma Limited

**Unaudited financial statements
for the year ended 31 December 2021**

Pages for filing with the Registrar

Secarma Limited

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Secarma Limited

**Directors' responsibilities statement
For the year ended 31 December 2021**

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.

Secarma Limited

Balance sheet

As at 31 December 2021

		2021		2020	
				as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		17,120		28,236
Investments	5		3,229,832		4,428,232
			<u>3,246,952</u>		<u>4,456,468</u>
Current assets					
Debtors	6	2,172,002		2,606,093	
Cash at bank and in hand		86,626		138,912	
		<u>2,258,628</u>		<u>2,745,005</u>	
Creditors: amounts falling due within one year	7	(2,760,771)		(3,377,809)	
Net current liabilities			<u>(502,143)</u>		<u>(632,804)</u>
Net assets			<u>2,744,809</u>		<u>3,823,664</u>
Capital and reserves					
Called up share capital			91		91
Profit and loss reserves			2,744,718		3,823,573
Total equity			<u>2,744,809</u>		<u>3,823,664</u>

Secarma Limited

Balance sheet (continued)

As at 31 December 2021

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered 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 27 September 2022 and are signed on its behalf by:

Joseph Ryland

Director

Company Registration No. 04217114

Secarma Limited

Notes to the financial statements For the year ended 31 December 2021

1 Accounting policies

Company information

Secarma Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Archway, Birley Fields, Manchester, M15 5QJ.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

In respect of contracts for ongoing services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover from contracts for ongoing services is recognised by reference to the stage of completion.

1.3 Tangible fixed assets

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

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

Fixtures, fittings & equipment	25% straight line
Computer equipment	25% 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.

1.4 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.

Notes to the financial statements (continued)
For the year ended 31 December 2021

1 Accounting policies (continued)

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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, 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.

1 Accounting policies (continued)

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.

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 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.9 Retirement benefits

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

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Notes to the financial statements (continued)
For the year ended 31 December 2021

1 Accounting policies (continued)

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 Critical accounting 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 (excluding directors) employed by the company during the year was:

	2021	2020
	Number	Number
Total	26	33
	==	==

Secarma Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2021	135,425
Additions	4,463
	<hr/>
At 31 December 2021	139,888
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Depreciation and impairment	
At 1 January 2021	107,189
Depreciation charged in the year	15,579
	<hr/>
At 31 December 2021	122,768
	<hr/>
Carrying amount	
At 31 December 2021	17,120
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At 31 December 2020	28,236
	<hr/>

5 Fixed asset investments

	2021 £	2020 £
Listed investments	3,229,832	4,428,232
	<hr/>	<hr/>

Listed investments relate to shares held in Shearwater Group PLC.

Movements in fixed asset investments

	Investments £
Cost or valuation	
At 1 January 2021	4,428,232
Valuation changes	(1,198,400)
	<hr/>
At 31 December 2021	3,229,832
	<hr/>
Carrying amount	
At 31 December 2021	3,229,832
	<hr/>
At 31 December 2020	4,428,232
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Secarma Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

6 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	372,161	149,327
Amounts owed by group undertakings	1,679,614	1,639,447
Other debtors	117,540	363,239
	<u>2,169,315</u>	<u>2,152,013</u>
Deferred tax asset	2,687	2,687
	<u>2,172,002</u>	<u>2,154,700</u>
	<u><u>2,172,002</u></u>	<u><u>2,154,700</u></u>
Amounts falling due after more than one year:		
Other debtors	-	451,393
	<u>-</u>	<u>451,393</u>
Total debtors	<u><u>2,172,002</u></u>	<u><u>2,606,093</u></u>

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	154,855	109,473
Taxation and social security	106,661	314,335
Other creditors	2,499,255	2,954,001
	<u>2,760,771</u>	<u>3,377,809</u>
	<u><u>2,760,771</u></u>	<u><u>3,377,809</u></u>

8 Financial commitments, guarantees and contingent liabilities

The company has provided a cross company guarantee, including fixed and floating charges over all assets, to its controlling shareholders in respect of loan notes issued by Secarma Group Limited, the parent company of Secarma Limited. At 31 December 2021 Secarma Group Limited had loan notes outstanding of £7,351,675 (2020: £7,351,675).

Secarma Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021	2020
£	£
-	-
<u> </u>	<u> </u>

10 Events after the reporting date

On 1 March 2022, the listed investments were sold to one of the company's shareholders for a loss of £758,500.

11 Related party transactions

In 2018, the company was granted a loan by a related party, who is also a controlling shareholder of the parent company. At 31 December 2021, Secarma Limited owed £1,311,458 (2020: £1,279,471) to the related party. The company incurred loan interest of £31,987 (2020: £31,291). This balance is unsecured and repayable on demand.

During the year, the company was granted a further loan by a company related by virtue of common controlling parties. At 31 December 2021, Secarma Limited owed £1,081,557 (2020: £1,523,145) to the company. The company incurred loan interest of £36,410 (2020: £36,865). This balance is unsecured and repayable on demand.

12 Parent company

Secarma Group Limited is the parent company of Secarma. Secarma Group Limited's registered office is 3 Archway, Birley Fields, Manchester M15 5QJ.

The company was under the control of Lawrence Jones and Gail Jones throughout the current and previous year.

13 Prior period error

A correction of a prior period error has been made as a result of a listed investment being recognised at cost rather than market value.

As a result of this adjustment, opening reserves at 1 January 2020 have decreased by £428,439, closing reserves at 31 December 2020 have decreased by £2,284,497 and the loss for the year ended 31 December 2020 has increased by £1,856,058.

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.