

Company registration number 02760731 (England and Wales)

**SCCI ALPHATRACK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2023**

# SCCI ALPHATRACK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P W Dellow R C Wickings D J Fogelman
<b>Company number</b>	02760731
<b>Registered office</b>	The Pavilion Botleigh Grange Business Park Hedge End Southampton Hampshire SO30 2AF
<b>Auditor</b>	Fiander Tovell Limited Stag Gates House 63/64 The Avenue Southampton Hampshire SO17 1XS
<b>Business address</b>	Piper House 14 West Place West Road Harlow Essex CM20 2GY
<b>Solicitors</b>	Trethowans The Pavilion Botleigh Grange Business Park Hedge End Southampton Hampshire SO30 2AF

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# SCCI ALPHATRACK LIMITED

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# SCCI ALPHATRACK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MAY 2023

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The directors present the strategic report for the year ended 31 May 2023.

#### Review of the business

SCCI Alphatrack Limited (SCCIA) is one of the largest installers of Coaxial and fibre network infrastructure in the UK. The company installs and maintains networks on a national and European basis across a variety of sectors including social housing, new build, hospitality and commercial. These networks facilitate services such as digital television, data, access control, wifi, gates and barriers, digital signage and EPOS.

The results for the financial year ended 31 May 2023 show revenue of £37,227,507 and net profit of £5,603,454.

The increase in revenue between FY22 and FY23 is attributable to a high demand for fibre network installations.

Management expect SCCIA to continue to make strong progress in its chosen markets.

#### Principal risks and uncertainties

The directors consider that the company's principal business risks are supply chain shortages and price increases derived from high inflation as well as normal trading risks. The directors have systems in place to monitor and mitigate the risks and uncertainties that are faced.

#### Key performance indicators

The directors use turnover growth, gross profit percentage and operating profit as Key Performance Indicators for the company.

Turnover Growth (year on year) 15.30% (Year ended 31 May 2022 39.35%)

Gross Profit % 39.96% (Year ended 31 May 2022 37.40%)

Profit Before Tax £5,603,454 (Year ended 31 May 2022 £3,832,040)

On behalf of the board

P W Dellow

**Director**

27 February 2024

# SCCI ALPHATRACK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MAY 2023

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The directors present their annual report and financial statements for the year ended 31 May 2023.

#### Principal activities

The principal activity of the company continued to be that of supplying and maintaining satellite communication systems and the installation and maintenance of electronic security systems.

#### Results and dividends

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

Ordinary dividends were paid amounting to £500,000. The directors do not recommend payment of a further dividend.

#### Directors

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

H D MacKenzie Smith	(Resigned 16 January 2024)
P W Dellow	
R C Wickings	
D J Fogelman	

#### Financial instruments

##### Treasury operations and financial instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability (or equity instrument) in another entity. The company's principal financial instruments include various financial assets and liabilities such as trade debtors and trade creditors arising directly from operations. Financial instruments are not entered into for speculative purposes.

##### Liquidity risk

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and exposure to variability in cash flows. The company aims to mitigate these risks by closely monitoring and actively managing cash generation from its operations.

##### Credit risk

The company places its cash with creditworthy institutions and performs ongoing credit evaluations of its debtors' financial condition. The carrying amount of cash and debtors represent the maximum credit risk that the company is exposed to. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary. All customers who wish to trade on credit terms are subject to credit verification procedures.

##### Pricing risk

The directors consider the company faces the usual pricing risk of any other company operating in a competitive, commercial environment. The company ensures it continues to offer competitive pricing whilst at the same time maintaining its high standard of customer service.

##### Research and development

The company undertakes research and development in the area of HD satellite broadband transmission as well as developing systems for managing and controlling engineer visits and extending wireless coverage over wide areas.

##### Future developments

Management expects the company to continue operating successfully in its chosen markets.

##### Auditor

The auditors, Fiander Tovell Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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# SCCI ALPHATRACK LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

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### 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

On behalf of the board

P W Dellow  
**Director**

27 February 2024

# SCCI ALPHATRACK LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCCI ALPHATRACK LIMITED

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### Opinion

We have audited the financial statements of SCCI Alphatrack Limited (the 'company') for the year ended 31 May 2023 which comprise 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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.

# SCCI ALPHATRACK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SCCI ALPHATRACK 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 or 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.

### **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.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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 experience.
- 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 the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the susceptibility of the group'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.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

# SCCI ALPHATRACK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SCCI ALPHATRACK LIMITED

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### Audit response to risks identified

To address the risk of fraud through management bias and override of 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 set out in Note 2 were indicative of potential bias.
- 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.
- enquiring of management as to actual and potential litigation and claims.

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 directors and other management and the inspection of regulatory and legal correspondence, if any.

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 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.

**Andrew Jay ACA FCCA**  
**Senior Statutory Auditor**  
For and on behalf of **Fiander Tovell Limited**

27 February 2024

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

Stag Gates House  
63/64 The Avenue  
Southampton  
Hampshire  
SO17 1XS

## SCCI ALPHATRACK LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	37,227,507	32,288,141
Cost of sales		(22,351,928)	(20,211,170)
<b>Gross profit</b>		14,875,579	12,076,971
Administrative expenses		(10,632,511)	(9,348,076)
Other operating income		860,386	789,466
<b>Operating profit</b>	<b>4</b>	5,103,454	3,518,361
Interest receivable and similar income	<b>8</b>	500,000	313,679
<b>Profit before taxation</b>		5,603,454	3,832,040
Tax on profit	<b>9</b>	(1,007,573)	(725,078)
<b>Profit for the financial year</b>		4,595,881	3,106,962

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

# SCCI ALPHATRACK LIMITED

## BALANCE SHEET

AS AT 31 MAY 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		98,333		-
Tangible assets	12		1,250,833		1,180,065
Investments	13		3,530,766		3,530,766
			<u>4,879,932</u>		<u>4,710,831</u>
<b>Current assets</b>					
Stocks	15	2,646,701		2,346,450	
Debtors	16	15,149,378		12,329,591	
Cash at bank and in hand		1,472,258		539,156	
		<u>19,268,337</u>		<u>15,215,197</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(9,095,011)</u>		<u>(9,023,504)</u>	
<b>Net current assets</b>			<u>10,173,326</u>		<u>6,191,693</u>
<b>Total assets less current liabilities</b>			<u>15,053,258</u>		<u>10,902,524</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(213,531)		(187,584)
<b>Provisions for liabilities</b>					
Deferred tax liability	20	206,714		177,808	
		<u>(206,714)</u>		<u>(177,808)</u>	
<b>Net assets</b>			<u>14,633,013</u>		<u>10,537,132</u>
<b>Capital and reserves</b>					
Called up share capital	22		102,831		102,831
Profit and loss reserves			14,530,182		10,434,301
<b>Total equity</b>			<u>14,633,013</u>		<u>10,537,132</u>

The financial statements were approved by the board of directors and authorised for issue on 27 February 2024 and are signed on its behalf by:

P W Dellow  
**Director**

Company registration number 02760731 (England and Wales)

## SCCI ALPHATRACK LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 June 2021</b>		102,831	8,502,339	8,605,170
<b>Year ended 31 May 2022:</b>				
Profit and total comprehensive income		-	3,106,962	3,106,962
Dividends	10	-	(1,175,000)	(1,175,000)
<b>Balance at 31 May 2022</b>		102,831	10,434,301	10,537,132
<b>Year ended 31 May 2023:</b>				
Profit and total comprehensive income		-	4,595,881	4,595,881
Dividends	10	-	(500,000)	(500,000)
<b>Balance at 31 May 2023</b>		102,831	14,530,182	14,633,013

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MAY 2023

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#### 1 Accounting policies

##### Company information

SCCI Alphatrack Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Pavilion, Botleigh Grange Business Park, Hedge End, Southampton, Hampshire, SO30 2AF.

#### 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 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- 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' – Carrying amounts, 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 SCCI Group Limited and Lonepiper Limited. These consolidated financial statements are available from Companies House.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

SCCI Alphatrack Limited is a wholly owned subsidiary of SCCI Group Limited and the results of SCCI Alphatrack Limited are included in the consolidated financial statements of SCCI Group Limited which are available from Companies House.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

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**1 Accounting policies** **(Continued)**

**1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to customers excluding value added tax. Unbilled work is included within trade debtors.

**1.4 Intangible fixed assets - goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life which is considered to be 3 years.

**1.5 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:

Freehold land	Freehold land is not depreciated
Plant, machinery, fixtures and fittings	12.5% - 20% straight line
Rental equipment	7% - 20% straight line
Motor vehicles	25% - 33.33% 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.

**1.6 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.

**1.7 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**1.8 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.

Cost is calculated using the weighted average method.

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

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### 1 Accounting policies (Continued)

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.

#### 1.9 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.

#### 1.10 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.

##### 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.

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

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### 1 Accounting policies

(Continued)

#### 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.

#### Derecognition of financial liabilities

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

#### 1.11 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.

#### 1.12 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.

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

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### 1 Accounting policies (Continued)

#### 1.13 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.

#### 1.14 Retirement benefits

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

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

#### 1.16 Government grants

Government grants relate to furlough claims and are recognised in the profit and loss account in the same period as the costs to which they relate.

### 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.

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2023

#### 2 Judgements and key sources of estimation uncertainty

(Continued)

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### Accrued income

Recognition of revenue on contracts is based on judgements made about the value of work which can be billed. Such judgements are arrived at based on the directors' best estimate of the value of work, and are estimated on a contract by contract basis. The company has appropriate control procedures to ensure all estimates are determined on a consistent basis and subject to appropriate review. The total accrued income recognised on contracts at the year end is £2,983,058 (2022: £2,918,786).

##### Work in progress

Work in progress is estimated based on an assessment of the profitability and stage of completion of contracts. The company has appropriate control procedures to ensure all estimates are determined on a consistent basis and subject to appropriate review. The total work in progress recognised at the year end is £1,700,282 (2022: £1,569,478).

##### Stock provisions

Stock is reviewed based on the ageing of items held and provision made for any stock which has not moved for more than 12 months or where it is known that the items of stock may have a value less than cost. The stock provision at the year end was £194,902 (2022: £206,973).

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Rendering of services	37,227,507	32,288,141
	<u>37,227,507</u>	<u>32,288,141</u>
	2023	2022
	£	£
<b>Turnover analysed by geographical market</b>		
UK	36,956,637	31,989,156
Europe	211,126	269,704
Rest of the world	59,744	29,281
	<u>37,227,507</u>	<u>32,288,141</u>
	2023	2022
	£	£
<b>Other revenue</b>		
Interest income	-	22
Dividends received	500,000	313,657
Grants received	-	2,966
Management charge receivable	860,386	786,500
	<u>860,386</u>	<u>786,500</u>

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 3 Turnover and other revenue (Continued)

In the opinion of the directors it would be seriously prejudicial to the interests of the business for disclosures to be made regarding segmental information about turnover.

### 4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(2,966)
Depreciation of owned tangible fixed assets	213,739	230,010
Depreciation of tangible fixed assets held under finance leases	236,591	153,737
Profit on disposal of tangible fixed assets	(80,574)	(90,868)
Amortisation of intangible assets	1,667	-
Operating lease charges	37,121	42,269
	<u>                    </u>	<u>                    </u>

### 5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	13,923	12,950
	<u>                    </u>	<u>                    </u>
<b>For other services</b>		
All other non-audit services	-	310
	<u>                    </u>	<u>                    </u>

### 6 Employees

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

	2023	2022
	Number	Number
Directors	4	4
Administrative	145	125
Engineers	85	86
	<u>                    </u>	<u>                    </u>
Total	234	215
	<u>                    </u>	<u>                    </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	9,355,333	8,311,202
Social security costs	925,213	810,431
Pension costs	188,338	165,246
	<u>                    </u>	<u>                    </u>
	10,468,884	9,286,879
	<u>                    </u>	<u>                    </u>

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	429,102	429,719
Company pension contributions to defined contribution schemes	6,600	6,600
	<u>435,702</u>	<u>436,319</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

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

	2023 £	2022 £
Remuneration for qualifying services	429,102	429,719
Company pension contributions to defined contribution schemes	6,600	6,600
	<u>435,702</u>	<u>436,319</u>

### 8 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Interest on bank deposits	-	22
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	500,000	313,657
Total income	<u>500,000</u>	<u>313,679</u>

### 9 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	978,667	569,658
Adjustments in respect of prior periods	-	60,901
Total current tax	<u>978,667</u>	<u>630,559</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	28,906	94,519
Total tax charge	<u>1,007,573</u>	<u>725,078</u>

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 9 Taxation

(Continued)

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

	2023 £	2022 £
Profit before taxation	5,603,454	3,832,040
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2022: 19.00%)	1,120,844	728,088
Tax effect of expenses that are not deductible in determining taxable profit	309	2,818
Tax effect of income not taxable in determining taxable profit	(100,014)	(59,595)
Change in unrecognised deferred tax assets	1,846	85
Effect of change in corporation tax rate	5,334	-
Under/(over) provided in prior years	-	60,900
Other differences	(193)	-
Change in deferred tax rates	-	22,664
Permanent capital allowances in excess of depreciation	(20,553)	(29,882)
Taxation charge for the year	1,007,573	725,078

### 10 Dividends

	2023 £	2022 £
Final paid	500,000	1,175,000

### 11 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 June 2022	68,404
Additions	100,000
At 31 May 2023	168,404
<b>Amortisation and impairment</b>	
At 1 June 2022	68,404
Amortisation charged for the year	1,667
At 31 May 2023	70,071
<b>Carrying amount</b>	
At 31 May 2023	98,333
At 31 May 2022	-

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 12 Tangible fixed assets

	Freehold land	Plant, machinery, fixtures and fittings	Rental equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 June 2022	200	3,067,040	473,132	761,859	4,302,231
Additions	-	169,899	-	388,233	558,132
Disposals	-	(16,860)	-	(223,907)	(240,767)
At 31 May 2023	200	3,220,079	473,132	926,185	4,619,596
<b>Depreciation and impairment</b>					
At 1 June 2022	-	2,487,116	473,122	161,928	3,122,166
Depreciation charged in the year	-	166,469	10	283,851	450,330
Eliminated in respect of disposals	-	(11,442)	-	(192,291)	(203,733)
At 31 May 2023	-	2,642,143	473,132	253,488	3,368,763
<b>Carrying amount</b>					
At 31 May 2023	200	577,936	-	672,697	1,250,833
At 31 May 2022	200	579,924	10	599,931	1,180,065

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023 £	2022 £
Motor vehicles	597,477	543,150

Rental equipment with a cost of £473,132 (2022: £473,132) and accumulated depreciation of £473,132 (2022: £473,122) is held for use in operating leases.

### 13 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	14	3,530,766	3,530,766

### 14 Subsidiaries

These financial statements are separate company financial statements for SCCI Alphatrack Limited.

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 14 Subsidiaries (Continued)

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
Airwave Europe Limited	1	Ordinary	100.00	-
Alphatrack Systems Limited	1	Ordinary	100.00	-
Links Broadcast Limited	1	Ordinary	100.00	-
Airwave Europe GmbH	2	Ordinary	-	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 The Pavilion, Botleigh Grange Business Park, Hedge End, Southampton, SO30 2AF
- 2 Schloßschmidstraße 5, 80639 Munich, Germany

All subsidiaries have the same registered office address as SCCI Alphatrack Limited.

### 15 Stocks

	2023	2022
	£	£
Work in progress	1,700,282	1,569,478
Finished goods and goods for resale	946,419	776,972
	<u>2,646,701</u>	<u>2,346,450</u>

Impairment losses of £12,071 (2022: £24,111) have been reversed on stock.

### 16 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	5,751,056	5,370,308
Amounts owed by group undertakings	5,567,790	3,133,069
Other debtors	472,304	622,302
Prepayments and accrued income	3,358,228	3,203,912
	<u>15,149,378</u>	<u>12,329,591</u>

## SCCI ALPHATRACK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MAY 2023

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

	Notes	2023 £	2022 £
Obligations under finance leases	19	206,794	174,423
Trade creditors		2,911,521	3,377,672
Amounts owed to group undertakings		1,046,410	2,128,346
Corporation tax		842,190	183,749
Other taxation and social security		1,154,761	302,777
Other creditors		65,693	20,387
Accruals and deferred income		2,867,642	2,836,150
		<u>9,095,011</u>	<u>9,023,504</u>

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

	Notes	2023 £	2022 £
Obligations under finance leases	19	213,531	187,584
		<u>213,531</u>	<u>187,584</u>

##### 19 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	206,794	174,423
In two to five years	213,531	187,584
	<u>420,325</u>	<u>362,007</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Net obligations under finance leases are secured on the assets concerned.

# SCCI ALPHATRACK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2023

#### 20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Liabilities 2023 £</b>	<b>Liabilities 2022 £</b>
<b>Balances:</b>		
ACAs	211,167	181,844
Other temporary timing differences	(4,453)	(4,036)
	<u>206,714</u>	<u>177,808</u>
<b>Movements in the year:</b>		<b>2023 £</b>
Liability at 1 June 2022		177,808
Charge to profit or loss		28,906
		<u>206,714</u>

#### 21 Retirement benefit schemes

	<b>2023 £</b>	<b>2022 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>188,338</u>	<u>165,246</u>

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.

At the year end contributions of £35,554 (2022: £32,308) were due to be paid over to the fund.

#### 22 Share capital

	<b>2023 Number</b>	<b>2022 Number</b>	<b>2023 £</b>	<b>2022 £</b>
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of 10p each	<u>1,028,310</u>	<u>1,028,310</u>	<u>102,831</u>	<u>102,831</u>

## SCCI ALPHATRACK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

#### 23 Acquisition

On 2 May 2023 the company acquired the business and certain assets of Satellite Services (UK) Limited.

	Fair Value £
Goodwill	100,000
Total consideration	<u>100,000</u>
Satisfied by:	£
Cash	60,000
Deferred consideration	40,000
	<u>100,000</u>

The fair value of the assets acquired were £nil, resulting in goodwill at acquisition of £100,000. This is to be amortised over a period of 36 months.

#### 24 Operating lease commitments

##### Lessee

Operating lease payments represent rentals payable by the company for properties and office equipment.

	2023 £	2022 £
Minimum lease payments under operating leases	<u>37,121</u>	<u>42,269</u>

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

	2023 £	2022 £
Within one year	22,130	11,210
Between two and five years	28,090	39,301
In over five years	-	9,053
	<u>50,220</u>	<u>59,564</u>

## SCCI ALPHATRACK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MAY 2023

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#### 25 Financial commitments, guarantees and contingent liabilities

During the year the company provided a cross-guarantee and debenture as security for the Lonepiper Limited group's bank borrowings and facilities. Total secured group bank borrowings as at 31 May 2023 were £2,403,091 (2022: £1,687,451).

After the year end, the loans in respect to the Lonepiper Limited group's bank borrowings were fully repaid.

#### 26 Post balance sheet events

On 18th September 2023, the company acquired 100% of the share capital of Interphone Limited for consideration of £1,000,000. The business operates in the UK, maintaining and upgrading security systems in the residential sector.

The acquisition had no effect on the results presented for the year ended 31 May 2023.

In addition, on 15th January 2024 the entire share capital of SCCI Group Limited, the immediate parent company of SCCI Alphatrack Limited, was purchased by Project Wexler Bidco Limited. The acquiring company and SCCI Group Limited is now under the control of Cadence Wexler GP LLP.

As a result of the transaction, Project Wexler Bidco Limited entered into a borrowing facility of £28,000,000. This facility is secured by a fixed and floating charge over SCCI Group Limited and its subsidiaries.

All previous loans held by the group were repaid at the date of the transaction.

#### 27 Related party transactions

The company has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with its ultimate parent company or any wholly owned subsidiary undertakings of the group.

During the year, SCCI Alphatrack Limited traded with Switchsure Finance Limited, a fellow subsidiary. Sales of £18,102 (2022: £496,944) were made to Switchsure Finance Limited. At the balance sheet date, Switchsure Finance Limited owed £151,822 (2022: £351,514) to SCCI Alphatrack Limited.

During the year there was personal work, with the value of £Nil (2022: £661) carried out for one of the directors, H D MacKenzie Smith.

#### 28 Ultimate controlling party

The immediate parent undertaking is SCCI Group Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Minza Investments SA (Panama).

The smallest group into which SCCI Alphatrack Limited is consolidated is that headed by SCCI Group Limited. The company's financial statements are also consolidated into Lonepiper Limited, the ultimate holding company incorporated within England and Wales. A copy of the consolidated accounts are available from Companies House on request. The registered office of both SCCI Group Limited and Lonepiper Limited is The Pavilion, Botleigh Grange Business Park, Hedge End, Southampton, Hampshire, SO30 2AF.

From 15th January 2024 the company's ultimate controlling party is Cadence Wexler GP LLP.

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.