

COMPANY REGISTRATION NUMBER: 09988870

SEP2 Limited

Filleted unaudited financial statements

29 February 2020

SEP2 Limited

Statement of financial position

29 February 2020

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Tangible assets	5		40,236		31,524
Current assets					
Debtors	6	348,101		213,990	
Cash at bank and in hand		312,168		308,610	
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		660,269		522,600	
Creditors: amounts falling due within one year					
	7	695,720		375,054	
		-----		-----	
Net current (liabilities)/assets			(35,451)		147,546
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Total assets less current liabilities			4,785		179,070
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Net assets			4,785		179,070
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Capital and reserves					
Called up share capital	8		600		225
Profit and loss account			4,185		178,845
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Shareholders funds			4,785		179,070
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These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 29th February 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements were approved by the board of directors and authorised for issue on 14 September 2020 , and are signed on behalf of the board by:

Mr P E Starr

Director

Mr M J Goodwin

Director

Company registration number: 09988870

SEP2 Limited

Notes to the financial statements

year ended 29th February 2020

1. General information

The principal activity of the company is the provision of cyber security services and equipment. The company is a private limited company, which is incorporated in England and Wales (no 09988870). The address of the registered office is 51a St Pauls Street, Leeds, LS1 2TE.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional currency of the entity. The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the directors have given due consideration to the impact of the worldwide Covid-19 pandemic on future operations and the ability of the company to continue to operate as a going concern. The directors recognise that the situation remains highly fluid and as a result making accurate forecasts on the likely implications is difficult but the directors do recognise that trading over the coming months could potentially be adversely affected. Despite this, the directors remain confident that the company can continue to operate as a going concern. This assessment is based on the understanding that the company will continue to trade over the coming months, albeit it at a reduced level than was initially anticipated. This, along with government support and retained reserves will allow the company to continue to meet its obligations as they fall due and operate as a going concern. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

Revenue recognition

Turnover is measured at the fair value of the consideration received for services rendered, net of discounts and Value Added Tax. In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	-	25% straight line
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Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 15 (2019: 9).

5. Tangible assets

	Equipment £
Cost	
At 1st March 2019	50,309
Additions	28,386

At 29th February 2020	78,695

Depreciation	
At 1st March 2019	18,785
Charge for the year	19,674

At 29th February 2020	38,459

Carrying amount	
At 29th February 2020	40,236

At 28th February 2019	31,524

6. Debtors

	2020 £	2019 £
Trade debtors	251,059	175,407
Amounts owed by group undertakings	–	25,949
Other debtors	97,042	12,634
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	348,101	213,990
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7. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	388,265	121,983
Corporation tax	–	54,000
Social security and other taxes	12,410	22,542
Other creditors	295,045	176,529
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	695,720	375,054
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8. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £ 0.01 (2019 - £ 1) each	54,000	540	225	225
Ordinary A shares of £ 0.01 each	6,000	60	–	–
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	60,000	600	225	225
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On 4 November 2019, there was a bonus issue of 375 ordinary shares, made out of reserves. The shares were redesignated into Ordinary and Ordinary A shares as noted above and then sub-divided into £0.01 shares. The ordinary shares carry full voting, dividend and capital distribution rights. The Ordinary A shares carry no voting rights, but are entitled to dividends and to participate in the capital on sale or a winding up after a set value has been achieved. 1,200 of the Ordinary A shares have EMI options over them, which have been granted to 4 individuals. 4,500 of the Ordinary A shares are being held in anticipation of granting options to other individuals in the future. The exercise price is £0.01 per share.

9. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	951	6,776
Later than 1 year and not later than 5 years	–	4,755
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	951	11,531
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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.