

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 MAY 2024

SCCI ALPHATRACK LTD

MENZIES

SCCI ALPHATRACK LTD

COMPANY INFORMATION

Directors	P Dellow D Fogelman R Wickings
Registered number	02760731
Registered office	The Pavilion Botleigh Grange Business Park Hedge End Southampton SO30 2AF
Trading Address	Piper House 14 West Place West Road Harlow Essex CM20 2GY
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT
Solicitors	Trethowans The Pavilion Botleigh Grange Business Park Hedge End Southampton Hampshire SO30 2AF

SCCI ALPHATRACK LTD

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 8
Statement of Income and Retained Earnings	9
Statement of Financial Position	10
Notes to the Financial Statements	11 - 25

SCCI ALPHATRACK LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2024

Introduction

The Directors present the strategic report for the year ended 31 May 2024.

Business review

SCCI Alphatrack Ltd continued to be one of the largest installers of coaxial and fibre network infrastructure in the UK. For the year ended 31st May 2024, we delivered on our long-term vision of sustainable growth, achieving increases in turnover as well as both gross and operating profit compared to the previous year.

We navigated a challenging sales environment, particularly in the new build sector, where market conditions remained unpredictable. Additionally, the fast-paced nature of the fibre market required continuous adaptability to meet evolving customer demands. We also contended with broader economic pressures, including inflation, rising material costs, and higher insurance premiums.

Despite these challenges, we continued to thrive by prioritising high-quality delivery, operational efficiency, and customer satisfaction. Our sustained efforts to innovate and adapt have reinforced our growth strategy and strengthened our ability to meet the diverse and evolving needs of our client base.

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.

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.

Financial key performance indicators

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

Directors' remuneration

	2024	2023
Turnover Growth (year on year)	3.9%	15.3%
Gross Profit %	41.6%	40.0%
Profit Before Tax	£6.09m	£5.60m

SCCI ALPHATRACK LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

Directors' statement of compliance with duty to promote the success of the Company

The board of Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a)-(f) of the Act) in the decisions taken during the year .

Our plan was designed to have a long-term beneficial impact on the Company and to contribute to its success in delivering a high quality of service across all of our business divisions.

Our team members are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our team members receive. The health, safety and well-being of our team members is one of our primary considerations in the way we do business.

Engagement with suppliers and customers is key to our success. We meet with our major supply chain partners regularly throughout the year and take the appropriate action, when necessary, to prevent involvement in modern slavery, corruption, bribery and breaches of competition law.

Our plan took into account the impact of the Company's operations on the community and environment and our wider social responsibilities, and in particular how we comply with environmental legislation and pursue wastesaving opportunities and react promptly to local community concerns.

As the board of directors, our intention is to behave responsibly and ensure that the management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both the construction and delivery of our plan, that reflects our responsible behaviour.

As the board of directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

This report was approved by the board and signed on its behalf.

P Dellow
Director

Date: 24 February 2025

SCCI ALPHATRACK LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2024

The Directors present their report and the financial statements for the year ended 31 May 2024.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

Principal activity

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 profit for the year, after taxation, amounted to £4,663,486 (2023 - £4,595,881).

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

Directors

The Directors who served during the year were:

P Dellow
D Fogelman
R Wickings
H D Mackenzie Smith (resigned 16 January 2024)

Future developments

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

Research and development activities

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.

SCCI ALPHATRACK LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

Engagement with suppliers, customers and others

The Company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. The interests of employees are carefully considered and taken into account when making decisions.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Relationships with suppliers and customers is key to the group's success and the directors consider the impact on relationships with key stakeholders as part of the decision making process.

Matters covered in the Strategic Report

The Company has chosen in accordance with Section 414C(II) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Company's Strategic Report, the information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the Directors' Report, such as the business review and details of the principal risks and uncertainties.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

P Dellow

Director

Date: 24 February 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCCI ALPHATRACK LTD

Opinion

We have audited the financial statements of SCCI Alphatrack Ltd (the 'Company') for the year ended 31 May 2024, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, including a summary of 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 2024 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCCI ALPHATRACK LTD
(CONTINUED)**

Opinion on other matters prescribed by the Companies Act 2006

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

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 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 set out on page 3, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCCI ALPHATRACK LTD
(CONTINUED)**

Auditors' 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 Auditors' 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 Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including:

- Companies Act 2006;
- Financial Reporting Standard 102;
- UK employment legislation;
- UK tax legislation;

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of relevant documentation.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. No issues were identified in this area. We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Posting of unusual journals and complex transactions; or
- The use of management override of controls to manipulate results, or to cause the Company to enter into transactions not in its best interests.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCCI ALPHATRACK LTD
(CONTINUED)

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 Auditors' 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.

Robin Hopkins FCA (Senior Statutory Auditor)

for and on behalf of

Menzies LLP

Chartered Accountants

Statutory Auditor

Lynton House

7-12 Tavistock Square

London

WC1H 9LT

24 February 2025

SCCI ALPHATRACK LTD

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MAY 2024

	Note	2024 £	2023 £
Turnover	4	38,659,238	37,227,507
Cost of sales		(22,498,816)	(22,245,119)
Gross profit		16,160,422	14,982,388
Administrative expenses		(10,976,986)	(10,739,320)
Other operating income	5	926,813	860,386
Operating profit	6	6,110,249	5,103,451
Income from shares in group undertakings		-	500,000
Interest payable and similar expenses	9	(16,054)	-
Profit before tax		6,094,195	5,603,454
Tax on profit	10	(1,430,709)	(1,007,573)
Profit after tax		4,663,486	4,595,881
Retained earnings at the beginning of the year		14,530,182	10,434,301
Profit for the year		4,663,486	4,595,881
Dividends declared and paid		(550,000)	(500,000)
Retained earnings at the end of the year		18,643,668	14,530,182

The notes on pages 11 to 25 form part of these financial statements.

SCCI ALPHATRACK LTD
REGISTERED NUMBER:02760731

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	12	63,889	98,333
Tangible assets	13	704,800	1,250,833
Investments	14	4,548,532	3,530,766
		<u>5,317,221</u>	<u>4,879,932</u>
Current assets			
Stocks	15	1,719,685	2,646,701
Debtors: amounts falling due within one year	16	21,106,496	15,149,378
Cash at bank and in hand		374,272	1,472,258
		<u>23,200,453</u>	<u>19,268,337</u>
Creditors: amounts falling due within one year	17	(9,587,922)	(9,095,011)
Net current assets		<u>13,612,531</u>	<u>10,173,326</u>
Total assets less current liabilities		<u>18,929,752</u>	<u>15,053,258</u>
Creditors: amounts falling due after more than one year	18	(40,696)	(213,531)
Provisions for liabilities			
Deferred tax	20	(142,557)	(206,714)
		<u>(142,557)</u>	<u>(206,714)</u>
Net assets		<u><u>18,746,499</u></u>	<u><u>14,633,013</u></u>
Capital and reserves			
Called up share capital	21	102,831	102,831
Profit and loss account	22	18,643,668	14,530,182
		<u><u>18,746,499</u></u>	<u><u>14,633,013</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

P Dellow
Director

Date: 24 February 2025

The notes on pages 11 to 25 form part of these financial statements.

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

1. General 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SCCI Group Limited as at 31 May 2024 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue on projects is recognised based on the stage of completion of the work completed. Any unbilled amounts are included within accrued income.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Income and Retained Earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	3	years
----------	---	---	-------

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

2. Accounting policies (continued)

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.15 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

3. Judgements in applying accounting policies 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.

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 £2,928,453 (2023: £2,983,058).

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 £1,118,724 (2023: £1,700,282).

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 £191,854 (2023: £194,902).

4. Turnover

The whole of the turnover is attributable to the services provided in relation to the Company's principal activity.

Analysis of turnover by country of destination:

	2024	2023
	£	£
United Kingdom	38,600,637	36,956,637
Rest of Europe	58,601	211,126
Rest of the world	-	59,744
	<u>38,659,238</u>	<u>37,227,507</u>

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

5. Other operating income

	2024	2023
	£	£
Management charge receivable	926,813	860,386
	<u>926,813</u>	<u>860,386</u>

6. Operating profit

The operating profit is stated after charging:

	2024	2023
	£	£
Exchange differences	2,710	-
Other operating lease rentals	29,973	37,121
	<u>29,973</u>	<u>37,121</u>

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors and their associates:

	2024	2023
	£	£
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	17,750	13,923
	<u>17,750</u>	<u>13,923</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2024	2023
	£	£
Wages and salaries	9,619,474	9,355,332
Social security costs	935,127	925,213
Pension costs	208,544	188,338
	<u>10,763,145</u>	<u>10,468,883</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2024	2023
	No.	No.
Administrative	145	145
Engineers	89	85
	<u>234</u>	<u>230</u>

The Directors are also officers of another group company and are remunerated by that company.

9. Interest payable and similar expenses

	2024	2023
	£	£
Finance leases and hire purchase contracts	16,054	-
	<u>16,054</u>	<u>-</u>

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

10. Taxation

	2024 £	2023 £
Corporation tax		
Current tax on profits for the year	1,494,866	978,667
Total current tax	<u>1,494,866</u>	<u>978,667</u>
Deferred tax		
Origination and reversal of timing differences	(64,157)	28,906
Total deferred tax	<u>(64,157)</u>	<u>28,906</u>
Tax on profit	<u>1,430,709</u>	<u>1,007,573</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 20%). The differences are explained below:

	2024 £	2023 £
Profit on ordinary activities before tax	<u>6,094,195</u>	<u>5,603,454</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 20%)	1,523,549	1,120,691
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(247)	309
Capital allowances for year in excess of depreciation	2,124	(18,554)
Non-taxable income	-	(100,014)
Changes to tax rate	-	5,334
Other differences leading to an increase (decrease) in the tax charge	-	(193)
Group relief	(94,717)	-
Total tax charge for the year	<u>1,430,709</u>	<u>1,007,573</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

11. Dividends

	2024 £	2023 £
Dividends paid	550,000	500,000
	<u>550,000</u>	<u>500,000</u>

12. Intangible assets

	Goodwill £
Cost	
At 1 June 2023	168,404
At 31 May 2024	<u>168,404</u>
Amortisation	
At 1 June 2023	70,071
Charge for the year on owned assets	34,444
At 31 May 2024	<u>104,515</u>
Net book value	
At 31 May 2024	<u>63,889</u>
<i>At 31 May 2023</i>	<u>98,333</u>

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 June 2023	200	3,220,079	926,185	473,132	4,619,596
Additions	-	92,548	60,469	-	153,017
Disposals	-	(2,689,161)	(187,211)	-	(2,876,372)
At 31 May 2024	200	623,466	799,443	473,132	1,896,241
Depreciation					
At 1 June 2023	-	2,642,143	253,488	473,132	3,368,763
Charge for the year on owned assets	-	178,574	256,082	-	434,656
Disposals	-	(2,429,776)	(182,202)	-	(2,611,978)
At 31 May 2024	-	390,941	327,368	473,132	1,191,441
Net book value					
At 31 May 2024	200	232,525	472,075	-	704,800
At 31 May 2023	200	577,936	672,697	-	1,250,833

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2024 £	2023 £
Motor vehicles	432,547	597,477
	<u>432,547</u>	<u>597,477</u>

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2023	3,530,766
Additions	1,017,767
Disposals	(1)
At 31 May 2024	<u><u>4,548,532</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Airwave Europe Limited	The Pavilion, Botleigh Grange Business Park, Hedge End, Southampton, SO30 2AF	Ordinary	100%
Alphatrack Systems Limited	The Pavilion, Botleigh Grange Business Park, Hedge End, Southampton, SO30 2AF	Ordinary	100%
Links Broadcast Limited	The Pavilion, Botleigh Grange Business Park, Hedge End, Southampton, SO30 2AF	Ordinary	100%
Airwave Europe GmbH (*)	Schloßschmidstraße 5, 80639 Munich, Germany	Ordinary	100%
Interphone Limited	The Pavilion, Botleigh Grange Business Park, Hedge End, Southampton, SO30 2AF	Ordinary	100%

*-indirect subsidiary

15. Stocks

	2024 £	2023 £
Work in progress	1,118,724	1,700,282
Finished goods and goods for resale	600,961	946,419
	<u><u>1,719,685</u></u>	<u><u>2,646,701</u></u>

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

16. Debtors

	2024 £	2023 £
Trade debtors	4,763,557	5,751,056
Amounts owed by group undertakings	12,297,992	5,567,790
Other debtors	441,479	472,304
Prepayments and accrued income	3,603,468	3,358,228
	<u>21,106,496</u>	<u>15,149,378</u>

17. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	1,935,620	2,911,521
Amounts owed to group undertakings	1,961,499	1,046,410
Corporation tax	1,272,056	842,190
Other taxation and social security	1,003,400	1,154,761
Obligations under finance lease and hire purchase contracts	175,219	206,794
Other creditors	64,917	65,693
Accruals and deferred income	3,175,211	2,867,642
	<u>9,587,922</u>	<u>9,095,011</u>

Contributions totalling £39,318 (2023 - £35,554) were payable to the fund at the balance sheet date and are included in creditors.

18. Creditors: Amounts falling due after more than one year

	2024 £	2023 £
Net obligations under finance leases and hire purchase contracts	40,696	213,531
	<u>40,696</u>	<u>213,531</u>

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2024 £	2023 £
Within one year	175,219	206,794
Between 1-5 years	40,696	213,531
	<u>215,915</u>	<u>420,325</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.

20. Deferred taxation

	2024 £
At beginning of year	(206,714)
Charged to profit or loss	64,157
At end of year	<u>(142,557)</u>

The provision for deferred taxation is made up as follows:

	2024 £	2023 £
Accelerated capital allowances	(142,557)	(211,167)
Other temporary timing differences	-	4,453
	<u>(142,557)</u>	<u>(206,714)</u>

21. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
1,028,310 (2023 - 1,028,310) Ordinary shares of £0.10 each	<u>102,831</u>	<u>102,831</u>

SCCI ALPHATRACK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

22. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

23. Commitments under operating leases

At 31 May 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024	2023
	£	£
Not later than 1 year	18,087	22,130
Later than 1 year and not later than 5 years	27,410	28,090
	<u>45,497</u>	<u>50,220</u>

24. Financial commitments, guarantees and contingent liabilities

Loans included within entities of the group that the Company is a part are secured by fixed and floating charges over the assets of the Company and the group. At the year end the loans amounted to £66,833,106 (2023: £Nil).

25. Related party transactions

During the year, SCCI Alphatrack Limited traded with Switchsure Finance Limited, a fellow subsidiary not under full control of the group. Sales of £1,640 (2023: £18,102) were made to Switchsure Finance Limited. At the balance sheet date, Switchsure Finance Limited owed £1,640 (2023: £151,822 was owed by SCCI Alphatrack) to SCCI Alphatrack Limited

26. Controlling party

The immediate parent company is SCCI Group Limited and the ultimate parent company is Project Wexler Topco Limited. Both companies registered office is the same as the Company.

The smallest group into which the Company is consolidated is that headed by SCCI Group Limited, also with the same registered office. The largest group into which the Company is consolidated is that headed by Project Wexler Topco Limited. A copy of the consolidated accounts are available from Companies House on request.

The Company's ultimate controlling party is Cadence Wexler GP LLP, an entity located in the United Kingdom.

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.