

Financial Statements

South Essex Commercial Services Ltd

For the year ended 31 July 2023

Company registration number: 04786472

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Company Information

The Board of Directors Jayne Sheehan (appointed 2nd January 2023)

Registered Office Luker Road
Southend on Sea
Essex
SS1 1ND

Auditor Price Bailey LLP
Causeway House
1 Dane Street
Bishops Stortford
Herts
CM23 3BT

THE DIRECTORS REPORT

The Director presents her Report and the financial statements for the year ended 31 July 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the operation of a car park, retail and conferencing activities.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £48,100 (2022 – £85,368). The Director does not recommend a dividend be paid for the year (2022: Nil).

POLITICAL AND CHARITABLE DONATIONS

The Company made no political or charitable donations during the year (2022: Nil).

DIRECTOR

The Directors who served during the year was:

Anthony McGarel (resigned 22nd November 2022)
Angela O'Donoghue (Resigned 22nd November 2022)
Jayne Sheehan (appointed 2nd January 2023)

DIRECTORS RESPONSIBILITIES STATEMENT

The Director is responsible for preparing the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has 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 Director 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 Director is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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.

GOING CONCERN

Notwithstanding net current liabilities of £69,116 at the balance sheet date the financial statements have been prepared on a going concern basis which the Director considers to be appropriate for the following reasons.

The Director has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking into account reasonable downsides, the company will have sufficient funds, throughfunding from its ultimate parent company South Essex College to meet its liabilities as they fall due for that period.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- as 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.

AUDITORS

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as Auditors 28 days after these financial statements were sent to Members or 28 days after the latest date prescribed for filing the accounts with the Registrar, whichever is earlier.

SMALL COMPANIES NOTE

In preparing this Report, the Director has taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This Report was approved by the Board and signed on its behalf.

Jayne Sheehan

J Sheehan (Mar 27, 2024, 9:32am)

Director

Date: 27 Mar 2024

Independent auditors report to the Shareholders of South Essex Commercial Services Limited

Opinion

We have audited the financial statements of South Essex Commercial Services Limited (the 'Company') for the year ended 31 July 2023 which comprise the Statement of Income and Retained Earnings, Balance Sheet, 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 July 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 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 revised financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the revised 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 original 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 the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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 ; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement included within the Directors' Report, 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 responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We did not identify specific laws or regulations that would cause non-compliance with legislation to be a key risk area for the Company. We therefore deemed this area as low risk, and so performed the following standard procedures only:

1. Enquiry of management around actual and potential litigation and claims, and any known instances of non-compliance;
2. Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness; and
3. Reviewing our work throughout the audit file for evidence of non-compliance.

Due to factors such as the use of judgement, sample testing and the inherent limitations of internal control, these procedures are capable of obtaining reasonable, but not absolute, assurance that irregularities have been detected. 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 is available on the FRC's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our Auditor's Report.

Use of our Report

This Report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this Report, or for the opinions we have formed.



Helena Wilkinson (Senior Statutory Auditor)

For and on behalf of Price Bailey LLP Chartered Accountants, Statutory Auditor

Causeway House

1 Dane Street Bishop's Stortford

Hertfordshire

CM23 3BT

Date 27 March 2023

Statement of income and retained earnings for the year ended 31 July 2023

	2023	2022
	£	£
Turnover	209,570	227,652
Cost of Sales	<u>(24,475)</u>	<u>(27,377)</u>
Gross Profit (or loss)	185,095	200,275
Administrative Expenses	<u>(168,976)</u>	<u>(114,906)</u>
Operating profit (or loss)	16,119	85,369
Profit (or loss) before tax:	16,119	85,369
Tax Charge (Note 10)	31,981	-
Profit (or loss) for the financial year	<u>48,100</u>	<u>85,369</u>
Reserves brought forward	(117,216)	(202,585)
Reserves carried forward	<u>(69,116)</u>	<u>(117,216)</u>

**Balance sheet
 at 31 July 2023**

	Notes	2023 £	Restated 2022 £
Fixed assets			
Tangible fixed assets	5	683,661	33,928
Total fixed assets:			
Current assets			
Stocks	6	743	948
Debtors	7	43,121	14,930
Cash at bank and in hand		204,044	357,619
Total current assets		247,908	373,497
 Creditors due within one year	8	<u>(1,000,685)</u>	<u>(524,640)</u>
 Total net assets (liabilities)		<u>(69,116)</u>	<u>(117,215)</u>
 Capital and reserves	9		
Called up share capital		1	1
 Profit and loss account		(69,116)	(117,216)
		<u>(69,115)</u>	<u>(117,215)</u>

Jayne Sheehan

Jayne Sheehan (27 Mar 2024, 9:32am)

Director

27 Mar 2024

The notes on pages 10 to 16 form part of these financial statements.

Notes to the Financial Statements

For the Period ended 31 July 2023

1. General information

South Essex Commercial Services Limited is a private company limited by shares, incorporated in England and Wales within the United Kingdom. The company's registered office is South Essex College, Luker Road, Southend on Sea, Essex SS1 1ND.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis, even though the Company's current liabilities exceed its current assets, as the directors are of the opinion that the Company will be able to continue trading and meet its liabilities as and when they fall due. The financial performance is forecast to improve in future periods.

The activities of the company, together with the factors likely to affect its future development and performance are set out in the Directors Report. The financial position of the company, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The company does not currently have any loans outstanding with bankers. Forecasts and financial projections indicate that the company will be cash positive for the foreseeable future.

.Therefore, the company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

2.3 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. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 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.

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:

Plant and machinery	5 or 10 years straight line
Office equipment	3 years straight line
Gas Pipe work	20 years 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 the statement of income and retained earnings

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Creditors

Short term creditors are measured at the transaction price.

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 the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the Financial Statements *(continued)*

For the Period ended 31 July 2023

2.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences which are not provided are differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2.10 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3 Employees

	Year ended 31 July 2023 No.	Year ended 31 July 2022 No.
The average monthly number of employees during the period were:	2	2

Notes to the Financial Statements (*continued*)

For the Period ended 31 July 2023

4 Profit/(Loss) on ordinary activities before taxation

	2023	2022
	£	£
Profit/(Loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration: audit work	7,150	2,650
Depreciation	33,408	1,123
Operating Leases – equipment	1,800	1,800
Total	42,358	5,573

5 Tangible Assets

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Office Equipment £	Motor Vehicles £	Total £
Cost						
At 1 August 2022		166,855				166,855
Additions	683,141					683,140
Revaluations						
Transfers						
At 31 July 2023	683,141	166,855				849,996
Depreciation						
At 1 August 2022		132,927				132,927
Charge for the year	33,223	185				33,408
Revaluations						
Transfers						
At 31 July 2023	33,223	133,112				166,335
Net Book Value at 31 July 2023	649,918	33,743				683,661
Net Book Value at 31 July 2022		33,928				33,928

Notes to the Financial Statements (continued)

For the Period ended 31 July 2023

6 Stocks

	2023	2022
	£	£
Stocks	743	948
	743	948

7 Debtors

	2023	2022
	£	£
Trade debtors	-	3,975
Other debtors	-	3,774
Deferred Tax Asset	22,721	-
Prepayments and accrued income	20,400	7,181
43		
	43,121	14,930

8 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	4,180	2,235
VAT Output	662	-
Amount owed to parent undertaking	986,296	519,213
Accruals	9,547	3,192
	1,000,685	524,640

Notes to the Financial Statements (continued)

For the Period ended 31 July 2023

9 Equity share capital

	2023 £	2022 £
Authorised		
Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
	2023 £	2022 £
Allotted, called up and fully paid:		
Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

10 Taxation

	2023 £	2022 £
Profit (Loss) on ordinary activities before taxation	16,119	<u>85,368</u>
Tax on profit on ordinary activities at standard rate of 21% (2022: 19%)	3,885	16,119
Tax losses bfwf utilised	(3,885)	(16,119)
Group relief claimed in respect of previous periods	(9,260)	-
Tax asset in relation to losses carried forward	(22,721)	-
Total taxation	<u>(31,981)</u>	<u>-</u>

The company has tax losses carried forward of £104,292 (2022; £134,064) which has resulted in recognition of deferred tax asset of £22,721 (2022; nil) to be applied against future profits which are now anticipated to arise.

11 Lease Obligations

At 31 July the company had minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Future minimum lease payments due	150	1,950
	<u>150</u>	<u>1,950</u>

12 Ultimate parent undertaking

The results of the company have been incorporated in the group financial statements of South Essex College. The director regards South Essex College to be the ultimate parent undertaking.

The consolidated financial statements of these groups are available to the public and may be obtained from: Clerk to the Governing Body South Essex College Southend Campus Luker Road Southend on Sea Essex, SS1 1ND

13 Contingent Liabilities

The company is part of a group VAT registration and therefore is potentially liable for VAT liabilities of its parent. As of 31 July 2023, its parent company, South Essex College, had a liability relating to value added tax of £13,120 (2022 – £77,278).