

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 October 2022  
for  
SEP (Site Engineering Personnel) Limited

Haines Watts  
Statutory Auditor  
3rd Floor Pacific Chambers  
11-13 Victoria Street  
Liverpool  
Merseyside  
L2 5QQ

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for the Year Ended 31 October 2022

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SEP (Site Engineering Personnel) Limited

Company Information  
for the Year Ended 31 October 2022

**DIRECTORS:**

D B Arscott  
O C Brooks  
C S Housbey  
B T Johnson  
L Nixon  
N P Webster

**SECRETARY:**

R P Westhoff

**REGISTERED OFFICE:**

Unit 6 Holland Business Park  
Spa Lane  
Lathom  
Ormskirk  
L40 6LN

**REGISTERED NUMBER:**

02019070 (England and Wales)

**AUDITORS:**

Haines Watts  
Statutory Auditor  
3rd Floor Pacific Chambers  
11-13 Victoria Street  
Liverpool  
Merseyside  
L2 5QQ

Strategic Report  
for the Year Ended 31 October 2022

The directors present their strategic report for the year ended 31 October 2022.

**REVIEW OF BUSINESS**

SEP (Site Engineering Personnel) Limited is a leading provider of engineering staffing solutions to the construction industry. It also continues to be engaged in the provision of surveying and construction measurement technology and pre-construction technical services.

Turnover has increased from the prior year by 8.1% to £14.3M. The net assets of the Company increased by £537,000 in the year to £3,257,000 at the year end (2021: £2,720,000)

The Company has continued to expand its service offerings, focusing on digital solutions to enhance efficiency and provide greater value to clients. The Company has also invested in its workforce, providing training and development opportunities to ensure the skills and expertise of its employees remain up to date and in line with industry standards.

The Company remain committed to quality, the environment and health & safety has been approved by Alcumus ISOQAR and is compliant with the requirements of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The COVID-19 pandemic has presented significant challenges for the industry, including supply chain disruptions, labour shortages, and reduced demand for some services. Despite these challenges, SEP (Site Engineering Personnel) Limited has demonstrated resilience and adaptability and remain sufficiently agile enough to readily react to economic changes in the UK construction sector.

Supply chain fulfilment has returned to pre COVID-19 levels and careful management of stock levels has reduced customer order completion times to a minimum. The shortage of skilled engineering personnel has been alleviated by a comprehensive trainee program using experienced in house engineers to train and mentor new staff.

**KEY PERFORMANCE INDICATORS**

Business information is analysed and key business performance indicators used to monitor business health such as hire utilisation, staffing contract fulfilment and contract length, operating profit and margins. These live indicators allow effective business decisions to be taken and maximise the return on investment of our staff and fixed assets.

The Company maintains a strong operational focus and remains well placed to trade profitably going forward.

**ON BEHALF OF THE BOARD:**

O C Brooks - Director

31 July 2023

Report of the Directors  
for the Year Ended 31 October 2022

The directors present their report with the financial statements of the company for the year ended 31 October 2022.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of providing personnel and equipment for engineering and land surveying.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 October 2022 will be £264,000.

**FUTURE DEVELOPMENTS**

Revenue and profitability of the Company since the year-end has been in line with expectations.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 November 2021 to the date of this report.

D B Arscott  
O C Brooks  
C S Housbey  
B T Johnson  
L Nixon  
N P Webster

Other changes in directors holding office are as follows:

Mrs D L Wynne - resigned 5 August 2022

**POLITICAL DONATIONS AND EXPENDITURE**

Donations of £2,246 (2021: £Nil) were made to charity in the year.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

SEP (Site Engineering Personnel) Limited (Registered number: 02019070)

Report of the Directors  
for the Year Ended 31 October 2022

**AUDITORS**

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

O C Brooks - Director

31 July 2023

### **Opinion**

We have audited the financial statements of SEP (Site Engineering Personnel) Limited (the 'company') for the year ended 31 October 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, 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 October 2022 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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page three, 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 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.

**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 a Report of the Auditors 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:

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 assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the company 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;
- Reviewing financial statements disclosures and testing to supporting documentation to assess compliance with applicable law and regulations;
- Challenging assumptions and judgements made by management in its significant accounting estimates, in particular:
- Depreciation - we carried out a review and recalculation of depreciation to assess its appropriateness for inclusion within the financial statements;
- Bad debt provisions - we carried out a review of debtors to assess its appropriateness for inclusion within the financial statements.
- Tax provisions - we carried out a review and recalculation of tax provisions to assess its appropriateness for inclusion within the financial statements;
- Prepayments- we carried out a review and recalculation of prepayments to assess its appropriateness for inclusion within the financial statements;
- Accruals - we carried out a review and recalculation of accruals to assess its appropriateness for inclusion within the financial statements;

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of  
SEP (Site Engineering Personnel) Limited

**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 a Report of the Auditors 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.

Kate Taylor FCCA (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Statutory Auditor  
3rd Floor Pacific Chambers  
11-13 Victoria Street  
Liverpool  
Merseyside  
L2 5QQ

31 July 2023

Statement of Comprehensive Income  
for the Year Ended 31 October 2022

	Notes	31.10.22 £	31.10.21 £
<b>TURNOVER</b>	3	<b>14,316,464</b>	13,248,828
Cost of sales		<u>11,297,927</u>	<u>9,667,591</u>
<b>GROSS PROFIT</b>		<b>3,018,537</b>	3,581,237
Administrative expenses		<u>1,926,459</u>	<u>1,799,687</u>
		<b>1,092,078</b>	1,781,550
Other operating income		<u>195,553</u>	<u>43,999</u>
<b>OPERATING PROFIT</b>	5	<b>1,287,631</b>	1,825,549
Interest receivable and similar income		<u>39</u>	<u>726</u>
		<b>1,287,670</b>	1,826,275
Interest payable and similar expenses	6	<u>295,817</u>	<u>147,700</u>
<b>PROFIT BEFORE TAXATION</b>		<b>991,853</b>	1,678,575
Tax on profit	7	<u>191,268</u>	<u>640,573</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>800,585</b>	1,038,002
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>FOR THE YEAR</b>		<b>800,585</b>	1,038,002

SEP (Site Engineering Personnel) Limited (Registered number: 02019070)

Balance Sheet  
31 October 2022

	Notes	£	31.10.22 £	£	31.10.21 £
<b>FIXED ASSETS</b>					
Tangible assets	9		<b>5,345,047</b>		4,324,550
<b>CURRENT ASSETS</b>					
Stocks	10	270,153		689,456	
Debtors	11	5,148,962		4,411,139	
Cash at bank		<u>170,614</u>		<u>43,454</u>	
		<b>5,589,729</b>		<b>5,144,049</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>5,154,467</u>		<u>4,414,714</u>	
<b>NET CURRENT ASSETS</b>			<b>435,262</b>		<b>729,335</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>5,780,309</b>		<b>5,053,885</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		<b>(1,509,078)</b>		<b>(1,510,506)</b>
<b>PROVISIONS FOR LIABILITIES</b>	16		<b>(1,014,199)</b>		<b>(822,932)</b>
<b>NET ASSETS</b>			<b>3,257,032</b>		<b>2,720,447</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		<b>100</b>		100
Retained earnings	18		<u>3,256,932</u>		<u>2,720,347</u>
<b>SHAREHOLDERS' FUNDS</b>			<b>3,257,032</b>		<b>2,720,447</b>

The financial statements were approved by the Board of Directors and authorised for issue on 31 July 2023 and were signed on its behalf by:

O C Brooks - Director

Statement of Changes in Equity  
for the Year Ended 31 October 2022

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 November 2020</b>	100	1,856,345	1,856,445
<b>Changes in equity</b>			
Dividends	-	(174,000)	(174,000)
Total comprehensive income	-	1,038,002	1,038,002
<b>Balance at 31 October 2021</b>	<u>100</u>	<u>2,720,347</u>	<u>2,720,447</u>
<b>Changes in equity</b>			
Dividends	-	(264,000)	(264,000)
Total comprehensive income	-	800,585	800,585
<b>Balance at 31 October 2022</b>	<u>100</u>	<u>3,256,932</u>	<u>3,257,032</u>

Notes to the Financial Statements  
for the Year Ended 31 October 2022

1. **STATUTORY INFORMATION**

SEP (Site Engineering Personnel) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 £.

**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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirement of paragraph 33.7.

The financial statements of the company are consolidated in the financial statements of Three Shapes Management Limited. These consolidated financial statements are available from its registered office, Unit 6 Holland Business Park Spa Lane, Lathom, Ormskirk, England, L40 6LN.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

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

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	2% on cost
Plant and machinery	20% on cost with a 20% residual balance
Fixtures and fittings	20% on cost
Motor vehicles	25% on cost

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 the profit or loss.

Depreciation is charged to administration expenses in the statement of comprehensive income.

During the prior year the company changed the accounting estimates for motor vehicles from 25% reducing balance and for plant and machinery from 20% on cost. This has been corrected prospectively in the accounts.

**Government grants**

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022

2. **ACCOUNTING POLICIES - continued**

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchases, transport, and handling costs in bringing stock to their present location and condition.

**Financial instruments**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities, including trade, group and other creditors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022

2. ACCOUNTING POLICIES - continued

**Short term debtors and creditors receivable**

Short term debtors and creditors with no stated interest rate are recorded at transaction price. Any losses arising from impairment are recognised in the income statement.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.10.22	31.10.21
	£	£
Sale of goods	3,669,658	3,609,017
Rendering of services	10,646,806	9,639,811
	<u>14,316,464</u>	<u>13,248,828</u>

4. EMPLOYEES AND DIRECTORS

	31.10.22	31.10.21
	£	£
Wages and salaries	2,075,968	2,034,907
Social security costs	222,324	-
Other pension costs	77,429	30,742
	<u>2,375,721</u>	<u>2,065,649</u>

The average number of employees during the year was as follows:

	31.10.22	31.10.21
Administration	16	13
Director	6	6
Driver	8	7
Engineer	21	17
Sales	2	2
Warehouse	5	4
	<u>58</u>	<u>49</u>

	31.10.22	31.10.21
	£	£
Directors' remuneration	348,966	354,600
Directors' pension contributions to money purchase schemes	27,253	-

Information regarding the highest paid director is as follows:

	31.10.22	31.10.21
	£	£
Emoluments etc	74,603	-
Pension contributions to money purchase schemes	5,846	-

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.10.22	31.10.21
	£	£
Depreciation - owned assets	290,598	712,076
Depreciation - assets on hire purchase contracts	637,801	154,332
Profit on disposal of fixed assets	(711,602)	(110,352)
Audit of the financial statements of the company	16,850	8,500
Foreign exchange differences	2,190	-
Other operating leases	110,781	-
Government grants	<u>-</u>	<u>(43,262)</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.10.22	31.10.21
	£	£
Hire purchase	<u>295,817</u>	<u>147,700</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.10.22	31.10.21
	£	£
Current tax:		
UK corporation tax	-	51,928
Deferred tax	<u>191,268</u>	<u>588,645</u>
Tax on profit	<u>191,268</u>	<u>640,573</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.10.22	31.10.21
	£	£
Profit before tax	<u>991,853</u>	<u>1,678,575</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	188,452	318,929
Effects of:		
Expenses not deductible for tax purposes	-	(20,967)
Capital allowances in excess of depreciation	(301,464)	(183,818)
Utilisation of tax losses	-	(62,216)
Losses carried forward	113,012	-
Deferred tax adjustment	<u>191,268</u>	<u>588,645</u>
Total tax charge	<u>191,268</u>	<u>640,573</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022

8. **DIVIDENDS**

	31.10.22	31.10.21
	£	£
Ordinary shares of 1 each		
Interim	<u>264,000</u>	<u>174,000</u>

9. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 November 2021	204,236	4,943,668	264,885	174,611	5,587,400
Additions	-	3,348,450	12,274	60,525	3,421,249
Disposals	<u>(204,236)</u>	<u>(1,690,244)</u>	<u>(167,643)</u>	<u>(16,200)</u>	<u>(2,078,323)</u>
At 31 October 2022	<u>-</u>	<u>6,601,874</u>	<u>109,516</u>	<u>218,936</u>	<u>6,930,326</u>
<b>DEPRECIATION</b>					
At 1 November 2021	43,944	995,487	193,047	30,372	1,262,850
Charge for year	-	857,548	21,374	49,477	928,399
Eliminated on disposal	<u>(43,944)</u>	<u>(403,383)</u>	<u>(158,643)</u>	<u>-</u>	<u>(605,970)</u>
At 31 October 2022	<u>-</u>	<u>1,449,652</u>	<u>55,778</u>	<u>79,849</u>	<u>1,585,279</u>
<b>NET BOOK VALUE</b>					
At 31 October 2022	<u>-</u>	<u>5,152,222</u>	<u>53,738</u>	<u>139,087</u>	<u>5,345,047</u>
At 31 October 2021	<u>160,292</u>	<u>3,948,181</u>	<u>71,838</u>	<u>144,239</u>	<u>4,324,550</u>

Included in the cost of freehold property is freehold land of £nil (2021 - £50,000) which is not depreciated.

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022

9. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 November 2021	4,065,466	174,611	4,240,077
Additions	1,920,252	60,525	1,980,777
Disposals	(888,796)	(16,200)	(904,996)
Transfer to ownership	(806,602)	-	(806,602)
At 31 October 2022	<u>4,290,320</u>	<u>218,936</u>	<u>4,509,256</u>
<b>DEPRECIATION</b>			
At 1 November 2021	548,092	30,372	578,464
Charge for year	588,324	49,477	637,801
Eliminated on disposal	(228,329)	-	(228,329)
At 31 October 2022	<u>908,087</u>	<u>79,849</u>	<u>987,936</u>
<b>NET BOOK VALUE</b>			
At 31 October 2022	<u>3,382,233</u>	<u>139,087</u>	<u>3,521,320</u>
At 31 October 2021	<u>3,517,374</u>	<u>144,239</u>	<u>3,661,613</u>
<b>10. STOCKS</b>			
		<b>31.10.22</b>	31.10.21
		£	£
Stocks		270,153	580,714
Work in progress		-	108,742
		<u>270,153</u>	<u>689,456</u>
<b>11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
		<b>31.10.22</b>	31.10.21
		£	£
Trade debtors		3,274,359	3,274,300
Amounts owed by group undertakings		1,733,871	1,000,754
Other debtors		14,311	23,171
Social security and other taxes		12,310	-
Directors' current accounts		13,604	-
Prepayments and accrued income		100,507	112,914
		<u>5,148,962</u>	<u>4,411,139</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.10.22	31.10.21
	£	£
Hire purchase contracts (see note 14)	1,673,605	1,230,655
Trade creditors	1,547,098	1,451,934
Amounts owed to group undertakings	-	5,765
Tax	4,311	51,928
Social security and other taxes	522	36,998
VAT	223,693	149,102
Other creditors	1,594,384	1,400,104
Accrued expenses	110,854	88,228
	<u>5,154,467</u>	<u>4,414,714</u>

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.10.22	31.10.21
	£	£
Hire purchase contracts (see note 14)	<u>1,509,078</u>	<u>1,510,506</u>

14. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	31.10.22	31.10.21
	£	£
Net obligations repayable:		
Within one year	1,673,605	1,230,655
Between one and five years	1,509,078	1,510,506
	<u>3,182,683</u>	<u>2,741,161</u>

	<b>Non-cancellable operating leases</b>	
	31.10.22	31.10.21
	£	£
Within one year	122,897	54,162
Between one and five years	117,589	60,192
	<u>240,486</u>	<u>114,354</u>

15. **SECURED DEBTS**

HSBC has a debenture dated 27 February 2001 and 28 March 1988 by way of fixed and floating charges on the assets of the group.

There is a unlimited multilateral guarantee dated 17 June 2020 between the company and Three Shapes Management Limited.

The invoice finance is secured by a charge dated 22 March 2011.

The obligations under the finance leases are secured on the items to which the finance leases relate.

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2022

16. **PROVISIONS FOR LIABILITIES**

	<b>31.10.22</b>	31.10.21
	£	£
Deferred tax	<u><b>1,014,199</b></u>	<u>822,932</u>
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1 November 2021		<b>822,932</b>
Provided during year		<u><b>191,267</b></u>
Balance at 31 October 2022		<u><b>1,014,199</b></u>

The deferred tax liability set out above is expected to reverse within the foreseeable future and related to accelerated capital allowances and other short term timing differences.

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% (2021: 25%).

17. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			<b>31.10.22</b>	31.10.21
Number:	Class:	Nominal value:	£	£
100	Ordinary	1	<u><b>100</b></u>	<u>100</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

18. **RESERVES**

	<b>Retained earnings</b>
	<b>£</b>
At 1 November 2021	<b>2,720,347</b>
Profit for the year	<b>800,585</b>
Dividends	<u><b>(264,000)</b></u>
At 31 October 2022	<u><b>3,256,932</b></u>

Retained earnings - Cumulative profit and loss, net of distribution to owners.

19. **PENSION COMMITMENTS**

A defined contribution pension scheme is operated by the company. The assets of the scheme are held separately from those of the company in an independently administered fund. At 31 October 2022 pension contributions of £11,635 (2021: £10,657) were payable and included within other creditors.

**20. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The company purchased the shares in Subsurface Measurement Technology Limited on the 19 January 2022. SEP (Site Engineering Personnel ) Limited traded with Subsurface Measurement Technology Limited including sales (including fixed assets and stock) of £352,004 (2021:£Nil) and purchases of £75,582 (2021:£Nil). A balance of £37,000 (2021:£Nil) was due to SEP (Site Engineering Personnel) Limited at the 31 October 2022 and is included with group debtors.

**21. ULTIMATE CONTROLLING PARTY**

The company is a subsidiary undertaking of Three Shapes Management Limited, a company registered in England and Wales.

Three Shapes Management Limited is the smallest and largest company for which consolidated accounts including SEP (Site Engineering Personnel) Limited are prepared. The consolidated accounts of Three Shapes Management Limited are available to the public from its registered office.

The company is under the control of the directors by virtue of their shareholding in the parent company, Three Shapes Management.

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