

Company Registration No. 11537326 (England and Wales)

GLOBAL SECURE ACCREDITATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

GLOBAL SECURE ACCREDITATION LIMITED

COMPANY INFORMATION

Directors	Andrew Davis Brian Moore Andrew Prosser Robert Quick Michael Smith Lee Whiteing David Wood
Secretary	Robert Quick
Company number	11537326
Registered office	2nd Floor, One Croydon 12-16 Addiscombe Road Croydon CR0 0XT
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

GLOBAL SECURE ACCREDITATION LIMITED

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GLOBAL SECURE ACCREDITATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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

Fair review of the business

The company was set up in 2018 to provide independent accreditation of the security of hotels and whilst this remains one of the core activities of the business it has since expanded into providing a similar service to the serviced accommodation sector and during 2021 it began to deploy its expertise to various departments of the UK Government, which continued to grow during 2022 as a result of the unique capability that the company can offer.

The key financial performance indicators of the company are revenue and operating profit. In 2022 the company increased its revenue by 34% with a similar % increase in operating profit. This growth came predominantly from the expansion of the contracts with the UK Government.

The security accreditation work was severely impacted by Covid-19 as hotels globally closed for business for much of 2020, and although hotels have since reopened many are operating at reduced capacity due to the difficulty in recruiting staff, and corporate travel is still some way below levels seen in 2019. However, the company is having some success winning corporate customers for its accreditation services, helped by the publication of the new travel risk management standard ISO 31030, and the company remains optimistic that demand for its accreditation services will increase over the next couple of years.

During both 2021 and 2022 the company generated strong levels of cash and having taken out a small Covid loan in 2020, it repaid this in full during 2022 and it is now debt free, has a strong balance sheet and the directors view that the company has good prospects.

GLOBAL SECURE ACCREDITATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

The company faces a few business risks and uncertainties, and below it sets out the key risks it has identified along with the company's approach to mitigating these risks:

Length of customer contracts

Impact on company

The majority of the company's customer contracts are short term in nature, mostly because the current work is in response to an immediate problem not an ongoing need or requirement.

Mitigation

Since customers are almost universally positive about the quality of the service being offered by GSA, active steps are now being taken to agree commercial terms on multi-year contracts that will benefit both parties.

Cost and complexity of scaling up the infrastructure

Impact on company

As the company grows and takes on more contracts it has to ensure its back office systems and infrastructure are sufficient to meet the increased complexity of supporting more activity, whilst keeping any growth in related costs in proportion to the growth in revenue.

Mitigation

Planning work is already underway, with the help of expert external support, to create a road map of new processes, systems and organisational structures that would be needed as the business grows. Given the financial resources currently available, the company is able and ready to invest slightly ahead of time to ensure that the scale up can be implemented as, and when, required

Willingness of accommodation providers to get security accreditation

Impact on company

Since accommodation providers have a number of competing priorities as the world emerges from CV19, there is reduced appetite and limited budgets for security accreditation of their properties.

Mitigation

The company continues to engage directly with corporates to put pressure on their accommodation providers to get accredited. This strategy is beginning to deliver results. This requirement has been given additional impetus by the new travel risk standard ISO 31030 that requires corporates to take active steps to ensure their employees are safe whilst travelling on business.

Future Developments

Alongside its existing services, the company is beginning to offer its customers new and innovative solutions to address the problems they encounter, not just fix the immediate issues. This approach is being well received and will help ensure that the company retains its existing customers as well as wins new customers, across both UK Government Departments and in the commercial sector. There remains a strong pipeline of recruits, particularly recently retired police officers, keen to work for the company so the directors are confident in the prospects for the company.

GLOBAL SECURE ACCREDITATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

On behalf of the board

David Wood
Director

9 December 2022

GLOBAL SECURE ACCREDITATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The directors present their annual report and financial statements for the year ended 31 August 2022.

Principal activities

The principal activities of the company during the year have been the provision of security accreditation services to accommodation providers and the supply of security trained resource to UK Government departments.

Results and dividends

The results for the year are set out on page 10.

Ordinary interim dividends were paid amounting to £1,130,549. The directors do not recommend payment of a final dividend.

Directors

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

Andrew Davis
Brian Moore
Andrew Prosser
Robert Quick
Michael Smith
Lee Whiteing
David Wood

Post reporting date events

Post balance sheet events are set out in note 23 to the financial statements.

Auditor

UHY Hacker Young were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

GLOBAL SECURE ACCREDITATION LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

On behalf of the board

David Wood
Director

9 December 2022

GLOBAL SECURE ACCREDITATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom, governing the preparation and dissemination of financial statements, may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GLOBAL SECURE ACCREDITATION LIMITED**

Opinion

We have audited the financial statements of Global Secure Accreditation Limited (the 'company') for the year ended 31 August 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 FRS 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 August 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GLOBAL SECURE ACCREDITATION LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 and the directors' report.

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GLOBAL SECURE ACCREDITATION LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Based on our understanding of the Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulated activities of the Company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and FCA rules. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls).

Audit procedures performed included: enquiries of management and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Jones (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

9 December 2022

Chartered Accountants
Statutory Auditor

GLOBAL SECURE ACCREDITATION LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 AUGUST 2022**

		2022	2021
	Notes	£	£
Turnover	3	13,602,296	10,150,915
Cost of sales		(318,115)	(31,017)
Gross profit		13,284,181	10,119,898
Administrative expenses		(9,827,492)	(7,497,340)
Other operating income		-	4,061
Operating profit	4	3,456,689	2,626,619
Interest payable and similar expenses	8	(2,980)	(1,132)
Profit before taxation		3,453,709	2,625,487
Tax on profit	9	(629,489)	(412,953)
Profit for the financial year		2,824,220	2,212,534

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

There is no other comprehensive income or expense and hence no Statement of Comprehensive Income is presented.

GLOBAL SECURE ACCREDITATION LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11	198,826		248,533	
Tangible assets	12	16,075		19,090	
Investments	13	1		-	
			<u>214,902</u>		<u>267,623</u>
Current assets					
Debtors	15	2,459,258		3,116,794	
Cash at bank and in hand		4,260,299		3,274,490	
			<u>6,719,557</u>		<u>6,391,284</u>
Creditors: amounts falling due within one year	16	(2,782,469)		(4,059,905)	
Net current assets			<u>3,937,088</u>		<u>2,331,379</u>
Total assets less current liabilities			<u>4,151,990</u>		<u>2,599,002</u>
Creditors: amounts falling due after more than one year	17	(31,000)		(218,750)	
Provisions for liabilities					
Deferred tax liability	19	3,054		3,627	
			<u>(3,054)</u>		<u>(3,627)</u>
Net assets			<u>4,117,936</u>		<u>2,376,625</u>
Capital and reserves					
Called up share capital	22	1,615		1,502	
Share premium account		646,578		646,578	
Equity reserve		79,027		31,500	
Profit and loss reserves		3,390,716		1,697,045	
			<u>4,117,936</u>		<u>2,376,625</u>
Total equity			<u>4,117,936</u>		<u>2,376,625</u>

GLOBAL SECURE ACCREDITATION LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

The financial statements were approved by the board of directors and authorised for issue on 9 December 2022 and are signed on its behalf by:

David Wood

Director

Company Registration No. 11537326

GLOBAL SECURE ACCREDITATION LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Share capital £	Share premium account £	Equity reserve £	Profit and loss reserves £	Total £
Balance at 1 September 2020		1,502	646,578	-	(515,489)	132,591
Year ended 31 August 2021:						
Profit and total comprehensive income for the year		-	-	-	2,212,534	2,212,534
Other movements		-	-	31,500	-	31,500
Balance at 31 August 2021		1,502	646,578	31,500	1,697,045	2,376,625
Year ended 31 August 2022:						
Profit and total comprehensive income for the year		-	-	-	2,824,220	2,824,220
Issue of share capital	22	113	-	-	-	113
Dividends	10	-	-	-	(1,130,549)	(1,130,549)
Other movements		-	-	47,527	-	47,527
Balance at 31 August 2022		1,615	646,578	79,027	3,390,716	4,117,936

GLOBAL SECURE ACCREDITATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	25	2,891,683	3,485,598
Interest paid		(2,980)	(1,132)
Income taxes paid		(577,655)	(421,458)
Net cash inflow from operating activities		2,311,048	3,063,008
Investing activities			
Purchase of business		(18,000)	-
Purchase of intangible assets		(93,533)	-
Purchase of tangible fixed assets		(2,874)	(18,363)
Proceeds on disposal of tangible fixed assets		354	-
Net cash used in investing activities		(114,053)	(18,363)
Financing activities			
Proceeds from issue of shares		113	75
Repayment of bank loans		(80,750)	(4,250)
Non-operating income treated as financing activity		-	4,061
Dividends paid		(1,130,549)	-
Net cash used in financing activities		(1,211,186)	(114)
Net increase in cash and cash equivalents		985,809	3,044,531
Cash and cash equivalents at beginning of year		3,274,490	229,959
Cash and cash equivalents at end of year		4,260,299	3,274,490

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Company information

Global Secure Accreditation Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor, One Croydon, 12-16 Addiscombe Road, Croydon, CR0 0XT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Intellectual Property	20% Straight line per annum
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1.5 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer Equipment	25% Straight line per annum
Furniture and Fittings	25% Straight line per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Basic financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

GLOBAL SECURE ACCREDITATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022****2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover

	2022	2021
	£	£
Turnover analysed by class of business		
Government contracts	13,354,316	10,106,470
Other Contracted Income	166,708	-
Accreditations	80,980	16,975
Recharged Expenses	292	27,470
	<u>13,602,296</u>	<u>10,150,915</u>

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(2,527)	53
Fees payable to the company's auditor for the audit of the company's financial statements	17,000	-
Depreciation of owned tangible fixed assets	5,534	1,005
Amortisation of intangible assets	49,707	-
Share-based payments	47,527	31,500
	<u>67,734</u>	<u>32,558</u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>17,000</u>	<u>-</u>

GLOBAL SECURE ACCREDITATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022****6 Employees**

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

2022	2021
Number	Number
164	84
=====	=====

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	7,992,947	6,388,577
Social security costs	987,578	748,549
Pension costs	89,858	31,891
	=====	=====
	9,070,384	7,169,017
	=====	=====

7 Directors' remuneration

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

	2022	2021
	£	£
Remuneration for qualifying services	172,373	120,000
	=====	=====

8 Interest payable and similar expenses

	2022	2021
	£	£
Other finance costs:		
Other interest	2,980	1,132
	=====	=====

9 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	630,062	409,655
	=====	=====

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Taxation

(Continued)

	2022	2021
	£	£
Deferred tax		
Origination and reversal of timing differences	(573)	3,298
	<u> </u>	<u> </u>
Total tax charge	629,489	412,953
	<u> </u>	<u> </u>
	2022	2021
	£	£
Profit before taxation	3,453,709	2,625,487
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	656,205	498,843
Tax effect of expenses that are not deductible in determining taxable profit	1,782	534
Tax effect of utilisation of tax losses not previously recognised	-	(70,170)
Permanent capital allowances in excess of depreciation	-	(215)
Depreciation on assets not qualifying for tax allowances	1,029	-
Research and development tax credit	(28,245)	(16,039)
Deferred tax adjustments in respect of prior years	(573)	-
Capital allowance	(709)	-
	<u> </u>	<u> </u>
Taxation charge for the year	629,489	412,953
	<u> </u>	<u> </u>

10 Dividends

	2022	2021
	£	£
Interim paid	1,130,549	-
	<u> </u>	<u> </u>

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Intangible fixed assets

	Intellectual Property £
Cost	
At 1 September 2021 and 31 August 2022	248,533
Amortisation and impairment	
At 1 September 2021	-
Amortisation charged for the year	49,707
At 31 August 2022	49,707
Carrying amount	
At 31 August 2022	198,826
At 31 August 2021	248,533

12 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 September 2021	472	20,687	21,159
Additions	286	2,587	2,873
Disposals	(472)	-	(472)
At 31 August 2022	286	23,274	23,560
Depreciation and impairment			
At 1 September 2021	118	1,951	2,069
Depreciation charged in the year	4	5,530	5,534
Eliminated in respect of disposals	(118)	-	(118)
At 31 August 2022	4	7,481	7,485
Carrying amount			
At 31 August 2022	282	15,793	16,075
At 31 August 2021	354	18,736	19,090

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	14	1	-
		<u> </u>	<u> </u>
			Shares in subsidiaries £
Cost or valuation			
At 1 September 2021			-
Additions			1
			<u> </u>
At 31 August 2022			1
			<u> </u>
Carrying amount			
At 31 August 2022			1
			<u> </u>
At 31 August 2021			-
			<u> </u>

14 Subsidiaries

Details of the company's subsidiaries at 31 August 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Global Secure Accreditation Services Limited	One Croydon 12-16 Addiscombe Rd, Croydon, Surrey, England, CR0 0XT	Ordinary	100.00

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	853,320	-
Other debtors	3,474	3,447
Prepayments and accrued income	1,602,464	3,113,347
	<u> </u>	<u> </u>
	2,459,258	3,116,794
	<u> </u>	<u> </u>

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	18	245	17,245
Directors' loan accounts	18	27	27
Trade creditors		74,118	101,395
Corporation tax		462,062	409,655
Other taxation and social security		993,752	1,664,500
Other creditors		33,112	33,251
Accruals and deferred income		1,219,153	1,833,832
		<u>2,782,469</u>	<u>4,059,905</u>

17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	18	-	63,750
Accruals and deferred income		31,000	155,000
		<u>31,000</u>	<u>218,750</u>

18 Loans and overdrafts

	2022 £	2021 £
Bank loans	245	80,995
Other loans	27	27
	<u>272</u>	<u>81,022</u>
Payable within one year	272	17,272
Payable after one year	-	63,750
	<u>-</u>	<u>63,750</u>

In May 2020 the company took out a CBILS loan through HSBC for £85,000 which was repayable over 6 years.
In August 2022 the company repaid £65,167 due to an early settlement.

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	3,054	3,627
	<u> </u>	<u> </u>
Movements in the year:		2022 £
Liability at 1 September 2021		3,627
Credit to profit or loss		(573)
		<u> </u>
Liability at 31 August 2022		3,054
		<u> </u>

The deferred tax liability set out above is not expected to reverse significantly within 12 months and relates to accelerated capital allowances that are not expected to mature within the same period.

20 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	89,858	31,891
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share-based payment transactions

Global Secure Accreditation Limited operates an EMI option scheme and an unapproved option scheme. Options vest over a 24 month period after grant but are mostly exercisable on the sale of the business or after 5 years whichever is sooner.

For some recipients a portion of the options are exercisable soon after grant. Recipients are able to acquire the shares for £0.01 being their nominal value.

There are no performance criteria attached to the options and nor are there annual grant of options planned.

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Share-based payment transactions

(Continued)

	Number of share options		Weighted average exercise price	
	2022	2021	2022	2021
	Number	Number	£	£
Outstanding at 1 September 2021	27,500	-	0.01	-
Granted	-	37,500	-	0.01
Forfeited	-	(2,500)	-	0.01
Exercised	(11,316)	(7,500)	0.01	0.01
	<u>16,184</u>	<u>27,500</u>	<u>0.01</u>	<u>0.01</u>
Outstanding at 31 August 2022	<u>16,184</u>	<u>27,500</u>	<u>0.01</u>	<u>0.01</u>
Exercisable at 31 August 2022	<u>-</u>	<u>11,316</u>	<u>-</u>	<u>0.01</u>

The options outstanding at 31 August 2022 had an exercise price of £0.01 and a remaining contractual life of between 3 and 4 years.

Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £47,527 (2021 - £31,500) which related to equity settled share based payment transactions.

22 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	<u>161,507</u>	<u>150,191</u>	<u>1,615</u>	<u>1,502</u>

23 Events after the reporting date

On 4th September 2022 the Company granted 9,827 options under its EMI scheme, and on 10th October 2022 granted 3,000 unapproved share options. The options vest over a two year period from the grant date and can be exercised within five years.

On 8th November 2022 the Company completed a buyback of 6,400 shares at £16.87 per share from four charities who were bequeathed the shares by a founder shareholder who passed away in 2020.

GLOBAL SECURE ACCREDITATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

24 Related party transactions

During the year the company paid £19,793 (2021: £nil) for shared administration and paid £65,051 (2021: £71,127) for rent, service charges and office services to Bluelight Global Solutions Ltd, a company in which R Quick and D Wood are directors in the year ending 31 August 2022. The company was under no overall control. During the year a liability of £248,533 (2021: £nil) for Intellectual Property rights assigned to the company by Bluelight Global Solutions Ltd crystallised under the terms of the assignment agreement. A balance of £155,000 has not been paid, of which £124,000 will be paid within one year and £31,000 after more than one year.

25 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	2,824,220	2,212,534
Adjustments for:		
Taxation charged	629,489	412,953
Finance costs	2,980	1,132
Amortisation and impairment of intangible assets	49,707	-
Depreciation and impairment of tangible fixed assets	5,534	1,005
Equity settled share based payment expense	47,527	31,500
Other operating income		(4,061)
Movements in working capital:		
Decrease/(increase) in debtors	657,536	(3,089,384)
(Decrease)/increase in creditors	(1,325,310)	3,919,919
Cash generated from operations	<u>2,891,683</u>	<u>3,485,598</u>

26 Analysis of changes in net funds

	1 September 2021	Cash flows	31 August 2022
	£	£	£
Cash at bank and in hand	3,274,490	985,809	4,260,299
Borrowings excluding overdrafts	(81,022)	80,750	(272)
	<u>3,193,468</u>	<u>1,066,559</u>	<u>4,260,027</u>

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.