

The Irongate Group Limited

Annual Report and Financial Statements

Year Ended

29 December 2020

Company Number 02566762

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The Irongate Group Limited

Company Information

Directors	R Coulson D-Roe
Registered number	02566762
Registered office	Daughters Court Silkwood Park Wakefield West Yorkshire United Kingdom. WF5 9TQ
Independent auditor	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

The Irongate Group Limited

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The Irongate Group Limited

Strategic Report For the Year Ended 29 December 2020

The Directors present their Strategic Report of the Company for the year ended 29 December 2020.

Review of business and financial performance

The Company's principal activities remain the distribution of office products and provision of business services. During this financial period, the Company continued to trade in line with normal practice and principal activities.

Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation and pre-exceptional items) in 2020 amounted to £450,757 (2019: £677,412).

On 30 October 2020, the trade, assets and liabilities of the Company were hived-up into Complete Business Solutions Group Limited, a fellow Group subsidiary undertaking.

Key Performance Indicators

	Year ended 2020 £	Period ended 2019 £
Turnover	8,337,655	14,177,489
Gross profit margin	24.3%	25.9%
Adjusted EBITDA (see below)	450,757	677,412
Profit after tax	175,381	882,425
Interest	23,869	(498)
Tax	-	(17,025)
Depreciation	28,840	47,463
Amortisation	16,667	20,000
Exceptional items	206,000	(254,953)
Adjusted EBITDA	<u>450,757</u>	<u>677,412</u>

Strategy and outlook

On 30 October 2020 the trade, assets and liabilities were hived up into Complete Business Solutions Group Limited, a fellow Group subsidiary undertaking. At that point, the Company stopped trading. At the time of signing these financial statements, the Directors have not made a decision surrounding the future of the Company. The strategy and outlook for the wider CBS Group is included in the financial statements of Complete Business Solutions Group Holdings Limited, the ultimate parent undertaking of the Group.

This report was approved by the board on

7/3/2022

and signed on its behalf.


D Roe
Director

The Irongate Group Limited

Directors' Report For the Year Ended 29 December 2020

The Directors present their report and the audited financial statements for the year ended 29 December 2020.

Principal activity

The principal activity of the Company in the year under review was that of office supplies, office interiors, print specialists and other product areas such as work wear and personal protective equipment.

On 30 October 2020, the trade, assets and liabilities of the Company were hived-up into Complete Business Solutions Group Limited, a fellow Group subsidiary undertaking.

Results and dividends

The profit for the year, after taxation, amounted to £175,381 (2019 - £882,425).

The total distribution of dividends for the year is £Nil (2019 - £Nil).

Directors

The Directors who served during the year were:

A J Noble (resigned 1 March 2020)
S L Wilson (resigned 1 March 2020)
R Coulson
D Roe

Financial instruments and risk management

The Company's financial assets and liabilities consist of trade debtors, trade creditors and cash balances.

The Directors manage the Company's exposure to financial risk by researching the credit worthiness of customers and by seeking advice from the company's providers of finance and its other external financial advisers.

The Company does not trade in foreign currencies.

The Company does not trade speculatively in derivatives or similar instruments.

Qualifying third party indemnity provisions

There was qualifying indemnity insurance in force for Directors during the financial year and up to the date of signing of these financial statements.

Matters covered in the strategic report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the Company.

Disclosure of information to auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

The Irongate Group Limited

Directors' Report (continued) For the Year Ended 29 December 2020

Going concern

On the basis that the going concern status of the company is dependent on the status of the group as a whole, the company has received a letter of support from the parent company confirming its ability and intention to continue to provide financial support to the company as required.

On 30 October 2020 the trade, assets and liabilities were hived up into Complete Business Solutions Group Limited, a fellow Group subsidiary undertaking. At that point the company ceased trading and at the balance sheet date, the Company has no liabilities and an intercompany balance owed to it by Complete Business Solutions Group Limited. Going concern has been considered in the financial statements of both Complete Business Solutions Group Limited, and the ultimate parent undertaking of the Group, Complete Business Solutions Group Holdings Limited.

Auditor

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

This report was approved by the board on **7/3/2022** and signed on its behalf.



D Roe
Director

The Irongate Group Limited

Directors' Responsibilities Statement For the Year Ended 29 December 2020

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

Company law requires the Directors to prepare audited 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 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.

The Irongate Group Limited

Independent Auditor's report to the members of The Irongate Group Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 29 December 2020 and of the Company's profit for the year then ended
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Irongate Group Limited ("the Company") for the year ended 29 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

The Irongate Group Limited

Independent Auditor's report to the members of The Irongate Group Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report 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. 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 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.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, 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'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.

The Irongate Group Limited

Independent Auditor's report to the members of The Irongate Group Limited (continued)

Extent to which the audit was capable of detecting irregularities, including fraud

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:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud. We considered the Company's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, UK company law and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the Company's financial statements.

Based on our understanding we designed our audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures and agreeing to underlying supporting documentation where necessary. We made enquiries of management and of the Directors as to the risks of non-compliance and any instances thereof. We also addressed the risk of management override of internal controls, including testing journal entries processed during and subsequent to the year and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Mark Langford

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Mark Langford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds
United Kingdom
07 March 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Irongate Group Limited

Statement of Comprehensive Income For the Year Ended 29 December 2020

		Year ended 29 December 2020 £	Period ended 29 December 2019 £
	Note		
Turnover	4	8,337,655	14,177,489
Cost of sales		(6,306,545)	(10,499,572)
Gross profit		2,031,110	3,677,917
Administrative expenses		(1,956,583)	(3,067,968)
Exceptional administrative (income)/expenses	12	(206,000)	254,953
Grant income for furloughed employees	5	330,723	-
Operating profit	6	199,250	864,902
Interest receivable and similar income	9	179	498
Interest payable and expenses		(24,048)	-
Profit before tax		175,381	865,400
Tax on profit	11	-	17,025
Profit and total comprehensive income for the financial year		175,381	882,425

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 11 to 27 form part of these financial statements.

Adjusted EBITDA for the year amounted to £450,757 (2019 - £677,412).

The Irongate Group Limited
Registered number: 02566762

Statement of Financial Position
As at 29 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	-	16,667
Tangible assets	14	-	124,653
Investments	15	1,843,880	2,010,472
		<u>1,843,880</u>	<u>2,151,792</u>
Current assets			
Stocks	16	-	518,752
Debtors: amounts falling due after more than one year	17	-	73,901
Debtors: amounts falling due within one year	17	5,319,096	6,709,387
Bank and cash balances		-	114,262
		<u>5,319,096</u>	<u>7,416,302</u>
Creditors: amounts falling due within one year	18	-	(4,550,796)
Net current assets		<u>5,319,096</u>	<u>2,865,506</u>
Total assets less current liabilities		<u>7,162,976</u>	<u>5,017,298</u>
Provisions for liabilities			
Other provisions	21	-	(125,000)
		<u>-</u>	<u>(125,000)</u>
Net assets		<u><u>7,162,976</u></u>	<u><u>4,892,298</u></u>
Capital and reserves			
Called up share capital	22	11,000	11,000
Share premium	23	114,321	114,321
Capital redemption reserve	23	2,095,297	-
Retained earnings	23	4,942,358	4,766,977
Total equity		<u><u>7,162,976</u></u>	<u><u>4,892,298</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7/4/2021


D Roe
Director

The notes on pages 11 to 27 form part of these financial statements.

The Irongate Group Limited

Statement of Changes in Equity For the Year Ended 29 December 2020

	Called up share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£	£
At 30 December 2019	11,000	114,321	-	4,766,977	4,892,298
Comprehensive income for the year					
Profit for the financial year	-	-	-	175,381	175,381
Total comprehensive income for the year	-	-	-	175,381	175,381
Capital contribution	-	-	2,095,297	-	2,095,297
At 29 December 2020	11,000	114,321	2,095,297	4,942,358	7,162,976

Statement of Changes in Equity For the Period Ended 29 December 2019

	Called up share capital	Share premium	Other reserves	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2019	11,000	114,321	379,953	3,884,552	4,389,826
Comprehensive income for the period					
Profit for the financial period	-	-	-	882,425	882,425
Total comprehensive income for the period	-	-	-	882,425	882,425
Contributions by and distributions to owners					
Release of share option reserve	-	-	(379,953)	-	(379,953)
Total transactions with owners	-	-	(379,953)	-	(379,953)
At 29 December 2019	11,000	114,321	-	4,766,977	4,892,298

The notes on pages 11 to 27 form part of these financial statements.

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

1. General Information

The Irongate Group Limited is a private company, limited by shares, registered in England and Wales under the Companies Act 2006. The company's registered number and registered office address can be found on the Company Information page. The nature of the Company's operations and its principal activities are outlined in the Strategic and Directors' Reports.

2. Accounting policies

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

The financial statements are prepared in GBP and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Complete Business Solutions Group Holdings Limited (formerly Complete Business Solutions Investments Limited) as at 31 December 2020 and these financial statements may be obtained from Daughters Court, Silkwood Park, Wakefield, United Kingdom, WF5 9TQ.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

2. Accounting policies (continued)

2.4 Going concern

On the basis that the going concern status of the company is dependent on the status of the group as a whole, the company has received a letter of support from the parent company confirming its ability and intention to continue to provide financial support to the company as required.

On 30 October 2020 the trade, assets and liabilities were hived up into Complete Business Solutions Group Limited, a fellow Group subsidiary undertaking. At that point the company ceased trading and at the balance sheet date, the Company has no liabilities and an intercompany balance owed to it by Complete Business Solutions Group Limited. Going concern has been considered in the financial statements of both Complete Business Solutions Group Limited, and the ultimate parent undertaking of the Group, Complete Business Solutions Group Holdings Limited.

2.5 Turnover

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

The Company recognises turnover when: (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably and (d) it is probable that future economic benefits will flow to the Company.

These conditions are considered to be met upon delivery of the goods to the customer.

2.6 Pension costs and other post-retirement benefits

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 payments obligations. The contributions are recognised as an expense when they fall due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.7 Leasing commitments

Rentals paid under operating leases are charged to the Statement of Comprehensive Income as incurred.

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

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

Deferred tax arises from timing differences between taxable total profits and total comprehensive income as stated in the financial statements. These timing differences 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.

A deferred tax asset is recognised only when it is more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences and losses can be deducted.

Provision is made at current rates for taxation deferred in respect of all material timing differences.

2.9 Goodwill

Goodwill arising on acquisition of a customer list is capitalised and amortised over a period of 5 years.

2.10 Tangible fixed assets

Tangible fixed assets 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 provided on all fixed assets to write off the cost less the estimated residual value in annual instalments over their estimated useful lives as follows:-

Depreciation is provided on the following basis:

Technical equipment	- 33% on cost
Equipment	- 20% on cost and 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost and 25% on reducing balance

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 within 'administrative expenses' in the Statement of Comprehensive Income.

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

2. Accounting policies (continued)

2.11 Government grants

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

2.12 Stocks

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

Cost represents the invoiced cost of materials on a first in first out basis.

Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and disposal.

At each reporting date, stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.13 Fixed asset investments

Fixed asset investments are valued at cost less provisions for permanent diminution in valuations.

2.14 Finance costs

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

2.15 Exceptional Items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.16 Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amounts being estimated where such indicators exist. Where the carrying value exceeds the recoverable amounts, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purpose of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies the directors are required to make judgement estimates and assumptions about the carrying amounts of the company's assets and liabilities. These are based on historical experience and other factors that are considered relevant and are reviewed on a regular basis and recognised in the period in which the estimate is revised. Actual results may differ from these estimates.

The following are the critical judgements and where relevant the key sources of estimation uncertainty:

- In preparing these financial statements the Directors have made a judgement around the ability of the Company to continue as a going concern. Details of these considerations can be seen in Note 2.
- In preparing these financial statements the Directors have made a judgement around the recoverability of intercompany debtors. The Company assesses at each reporting date whether there is objective evidence that the inter-group debtor is impaired. An inter-group debtor is impaired and an impairment loss incurred if there is objective evidence that an event or events since its initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. The directors have reviewed the intercompany debtor balances and believe that they are recoverable. Where appropriate, the company has obtained letters of support from the ultimate parent undertaking, Complete Business Solutions Group Holdings Limited.

4. Turnover

The whole of the turnover in the current period and prior period is attributable to the Company's principal activity and arose within the United Kingdom.

5. Other operating income

	Year ended 29 December 2020 £	Period ended 29 December 2019 £
Government grants receivable	330,723	-

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

6. Operating profit

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

	Year ended 29 December 2020 £	Period ended 29 December 2019 £
Depreciation of tangible fixed assets	28,840	47,463
Exchange differences	-	(560)
Goodwill amortisation	16,667	20,000
Operating lease payments	204,507	268,000

Audit remuneration is borne by a fellow group company. An estimate of fees for the audit of the Company is £20,600 (2019 - £20,000).

7. Employees

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

	Year ended 29 December 2020 £	Period ended 29 December 2019 £
Wages and salaries	1,191,355	1,797,918
Social security costs	86,664	168,419
Other pension costs	23,062	36,696
	1,301,081	2,003,033

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

	Year ended 29 December 2020 No.	Period ended 29 December 2019 No.
Employees	57	64

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

8. Directors' remuneration

	Year ended 29 December 2020 £	Period ended 29 December 2019 £
Directors' emoluments	9,320	55,082
Directors' pension contributions to money purchase schemes	3,708	-
	<u>13,028</u>	<u>55,082</u>

During the year retirement benefits were accruing to 1 Director (2019 - NIL) in respect of defined contribution pension schemes.

9. Interest receivable

	Year ended 29 December 2020 £	Period ended 29 December 2019 £
Bank interest receivable	<u>179</u>	<u>498</u>

10. Interest payable and similar expenses

	Year ended 29 December 2020 £	Period ended 29 December 2019 £
Bank interest payable	24,048	-
	<u>24,048</u>	<u>-</u>

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

11. Taxation

	Year ended 29 December 2020 £	Period ended 29 December 2019 £
Corporation tax		
Current tax on profits for the period	-	-
Adjustments in respect of previous periods	-	1,237
Total current tax	-	1,237
Origination and reversal of timing differences	-	79,240
Adjustments in respect of previous periods	-	(97,502)
Total deferred tax	-	(18,262)
Taxation on profit	-	(17,025)

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

11. Taxation (continued)

Factors affecting tax credit for the period

The tax assessed for the year/period is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	Year ended 29 December 2020 £	Period ended 29 December 2019 £
Profit on ordinary activities before tax	175,381	865,400
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	33,322	164,426
Effects of:		
Expenses not deductible for tax purposes	31,686	(72,116)
Capital allowances for year/period in excess of depreciation	3,167	3,800
Amounts relating to other comprehensive income or otherwise transferred	23,750	-
Other tax adjustments, reliefs and transfers	(1,001)	-
Transfers - deferred tax	(22,678)	-
Adjustments to tax charge in respect of prior periods	-	1,237
Adjustments to deferred tax charge in respect of prior periods	-	(97,502)
Adjust closing deferred tax to average rate of 19%	(2,668)	2,668
Adjust opening deferred tax to average rate of 19%	-	(11,990)
Group relief	(65,578)	(7,548)
Total tax charge for the year/period	-	(17,025)

Factors that may affect future tax charges

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced at the budget on 3 March 2021, and substantively enacted on 24 May 2021. The deferred tax balance at the year end has been calculated based on the rate as at that date.

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

12. Exceptional items

	Year ended 29 December 2020 £	Period ended 29 December 2019 £
Property provision (see note 19)	-	125,000
Release of share option reserve	-	(379,953)
Other items	39,408	-
Impairment of investment in Ram Print Ltd	166,592	-
	<u>206,000</u>	<u>(254,953)</u>

13. Intangible assets

	Goodwill £
At 30 December 2019	100,000
Intra-group transfers	(100,000)
At 29 December 2020	<u>-</u>
At 30 December 2019	83,333
Charge for the year on owned assets	16,667
Intra-group transfers	(100,000)
At 29 December 2020	<u>-</u>
Net book value	
At 29 December 2020	<u>-</u>
At 29 December 2019	<u>16,667</u>

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

14. Tangible fixed assets

	Fixtures and fittings £	Motor Vehicles £	Computer equipment £	Total £
Cost				
At 30 December 2019	401,687	168,762	251,789	822,238
Transfers intra group	(401,687)	(112,762)	(251,789)	(766,238)
Disposals	-	(56,000)	-	(56,000)
At 29 December 2020	-	-	-	-
At 30 December 2019	329,040	136,626	231,919	697,585
Charge for the year on owned assets	18,158	6,600	4,082	28,840
Transfers intra group	(347,198)	(93,226)	(236,001)	(676,425)
Disposals	-	(50,000)	-	(50,000)
At 29 December 2020	-	-	-	-
Net book value				
At 29 December 2020	-	-	-	-
At 29 December 2019	72,647	32,136	19,870	124,653

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 30 December 2019	2,010,472
At 29 December 2020	2,010,472
Impairment	
Charge for the period	166,592
At 29 December 2020	166,592
Net book value	
At 29 December 2020	1,843,880
At 29 December 2019	2,010,472

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Derby Stationery Store Limited	Dormant	Ordinary	100%
Irongate Retail Limited	Dormant	Ordinary	100%
Ram Print Limited	Digital printing and copying services	Ordinary	100%

The registered office address of all subsidiary undertakings is Daughters Court, Silkwood Park, Wakefield, West Yorkshire, United Kingdom, WF5 9TQ.

The impairment in the period relates to the investment in Ram Print Limited, the trade and assets of which were hived up to Complete Business Solutions Group Limited in the year.

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

16. Stocks

	2020 £	2019 £
Goods for resale	-	518,752

An impairment loss of £Nil (2019 - £Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

There is no material difference between the replacement cost of stocks and the amounts stated above.

17. Debtors

	2020 £	2019 £
Due after more than one year		
Short term timing differences	-	73,901
	-	73,901

	2020 £	2019 £
Due within one year		
Trade debtors	-	2,333,222
Amounts owed by group undertakings	5,319,096	4,143,676
Other debtors	-	39,104
Prepayments	-	80,199
Corporation tax	-	90,508
Deferred taxation (see note 18)	-	22,678
	5,319,096	6,709,387

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	-	2,091,222
Trade creditors	-	1,656,452
Amounts owed to group undertakings	-	564,762
Other taxation and social security	-	152,300
Other creditors	-	34,745
Accruals and deferred income	-	51,315
	<u>-</u>	<u>4,550,796</u>

Amounts owed to group undertakings are interest free and repayable on demand.

The sales ledger financing is secured by a charge dated 16 November 2018 with HSBC Bank plc also over all of the assets of the entity.

19. Leasing agreements

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	-	264,478
Between one and five years	-	281,783
	<u>-</u>	<u>546,261</u>

20. Deferred taxation

	2020 £
At beginning of year	22,678
Credited to profit or loss	-
Transferred intra-group	(22,678)
At end of period	<u><u>-</u></u>

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

20. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	-	(4,480)
Short term timing differences	-	27,158
	<u>-</u>	<u>22,678</u>

21. Provisions

	Property provision £
At 30 December 2019	125,000
Transferred intra-group	(125,000)
At 29 December 2020	<u>-</u>

The provision is in relation to the directors best estimate for liabilities falling due to the business in the future.

22. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
11,000 (2019 - 11,000) Ordinary shares of £1 each	<u>11,000</u>	<u>11,000</u>

The shares have attached to them full voting, dividend and capital distribution rights.

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

23. Reserves

The Company's reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Retained earnings

The retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

Share premium

Amount subscribed for share capital in excess of nominal value.

Capital redemption reserve

The capital redemption reserve was recognised on the excess consideration paid over the net book value of the assets on the hive-up of the trade and assets of The Irongate Group Limited.

24. Contingent liabilities

The Irongate Group Limited is party to an Intercreditor Deed dated 13 March 2019 (renewed under the same terms as the old agreement) between HSBC Bank PLC, HSBC Invoice Finance (UK) Limited and the following group undertakings and related parties:

Group undertakings

Complete Business Solutions Investments Limited
Complete Business Solutions Group Holdings Limited
Complete Business Solutions Group Limited
Discount Desks & Chairs (U.K.) Limited
Taalus Technical Solutions Limited
S.E.T. (Office Supplies) Ltd
S.E.T. (Swansea) Ltd
W & A Ross Limited
Corporate Safety Wear Limited
Martin Luck Group Limited
Office Gold Limited
RAM Print Limited
Bluefish Office Products Limited
Quality Office Supplies Limited
Quality Office Supplies Holdings Limited

Related parties

S.E.T group deferred creditors
Mr R Coulson
Abercross II LP

The maximum liability at the year end, including those in The Irongate Group Limited, was £30,902,908 (2019 - £36,367,226).

The Irongate Group Limited

Notes to the Financial Statements For the Year Ended 29 December 2020

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £23,062 (2019 - £36,696). Contributions totalling £Nil (2019 - £34,745) were payable to the fund at the reporting date and are included in creditors.

26. Hive up

On 30 October 2020 the trade and assets of the company were hived up to Complete Business Solutions Group Limited.

27. Related party transactions

The company is a wholly owned subsidiary of Complete Business Solutions Investments Limited (formerly Complete Business Solutions Group Holdings Limited) and has taken advantage of the available exemption conferred by section 33.1A of FRS 102 not to disclose transactions with group members.

28. Controlling party

The Company's immediate parent company is Complete Business Solutions Investments Limited, a Company incorporated in England and Wales registered at Daughters Court, Silkwood Park, Wakefield, England, WF5 9TQ.

The Company's ultimate controlling parent is Complete Business Solutions Group Holdings Limited registered at Daughters Court, Silkwood Park, Wakefield, England, WF5 9TQ.

As at 29 December 2020, the largest and smallest group in which the results are consolidated is that headed by Complete Business Solutions Group Holdings Limited, a Company incorporated in England and Wales. The consolidated accounts of the Company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the Company.

The ultimate controlling party is considered to be Richard Coulson due to his majority shareholding in the ultimate parent company.