

Company Registration No. 03262419 (England and Wales)

**A24 GROUP LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2019**



# A24 GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	C L Rees P M Streeter
<b>Secretary</b>	N Patel
<b>Company number</b>	03262419
<b>Registered office</b>	92-96 Lind Road Sutton Surrey England SM1 4PL
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

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# A24 GROUP LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 JUNE 2019

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The directors present the strategic report for the year ended 30 June 2019.

#### **Fair review of the business**

The principal activity of the company and the group during the year continued to be that of healthcare staffing, the ownership and operation of Mannings Health Golf and Wine Estate in Horsham and the ownership and operation of Leonardslee Lakes & Gardens in Horsham. As shown by the results for the year the group continues to trade profitably.

#### **Foreign branches**

The company operates a branch located in South Africa, the results of which are included in the company's and group's financial statements.

#### **Business review**

Overall results are in line with the directors' expectations.

*In line with other businesses operating in the markets in which the business operates, there remains the commercial risk which surrounds the issue of lack of visibility of earnings in that future demand for agency staff is difficult to predict.*

#### **Financial risk management**

The group makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the group.

#### **Risks and uncertainties**

Principal risks and uncertainties facing the group are similar to those of any other trading company operating in markets in which the group operates. Within these confines management do what they can do to manage commercial risk factors.

#### **Development and performance**

Management will continue to seek to drive the business forwards in terms of profitability, client service, market reach and use of technology.

#### **Key performance indicators**

The directors continue to look at key performance indicators ("KPIs") such as hours sold and margins achieved whilst at the same time aiming to actively manage costs and preserve liquidity. Given the nature of the business, the Group's directors are of the opinion that further analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

The directors are aware of the importance of cash flow and treasury management with the result that great emphasis is placed on this. The directors feel that available data does not allow for meaningful comments on the market share of the business.

The Group's principal financial instruments comprise bank balances and trade debtors. The main purpose of these instruments is to raise funds for the Group and to finance its operations. Due to the nature of the financial instruments used by the Group, there is no exposure to price risk.

The directors believe that the Group is well placed to achieve its growth targets which include the maintenance of gross margins and positive cash flows.

# A24 GROUP LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

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### Events after the balance sheet date

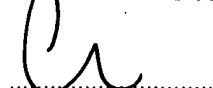
#### Coronavirus (COVID-19)

The impact of COVID-19 on UK and global economies and businesses is expected to be significant.

In the nursing businesses there has continued to be appropriate qualified staff available, and demand has held up, whilst direct employees have been able to continue with effective remote working.

The golf and hospitality businesses have been more directly affected. The businesses were closed for a time and, whilst the golf business and gardens are now open, the retail and hospitality parts of the businesses remain closed. The directors are aware of the risks to those businesses in terms of liquidity and have put in place appropriate measures including cost cutting and accessing government reliefs including the Coronavirus Job Retention Scheme. The businesses will require support from the group.

On behalf of the board



C L Rees

Director

Date: .....

26/June/2020

# **A24 GROUP LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2019**

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The directors present their annual report and financial statements for the year ended 30 June 2019.

#### **Principal activities**

The principal activity of the group is disclosed in the Strategic Report on page 1.

#### **Directors**

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

C L Rees  
P M Streeter

#### **Results and dividends**

The results for the year are set out on page 8.

The dividends proposed in the year were £nil (2018: £6,986,028) from which a shareholder waived their dividend. Net dividends paid in the year were £nil (2018: £5,000,000). The directors do not recommend payment of a final dividend.

#### **Going concern**

The directors consider the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the group and company to continue as a going concern.

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

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

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

#### **Auditor**

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### **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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# A24 GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

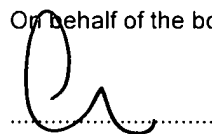
FOR THE YEAR ENDED 30 JUNE 2019

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### Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C to set out in the group's strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Strategic Report. The matters covered in the strategic report are foreign branches, financial risk management, development and performance, and events after the balance sheet date.

On behalf of the board



C L Rees  
Director

Date: .....

26 / June / 2020

# **A24 GROUP LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 30 JUNE 2019**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 group and company, and of the profit or loss of the group 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A24 GROUP LIMITED

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### Opinion

We have audited the financial statements of A24 Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows 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 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 group's and the parent company's affairs as at 30 June 2019 and of the group's 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 group and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A24 GROUP LIMITED (CONTINUED)**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their 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 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 group's and the parent 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 group or the parent 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.



Nicholas Davies FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
United Kingdom

..... 26/6/2020

# A24 GROUP LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	49,284,115	48,981,840
Cost of sales		(31,732,087)	(32,450,016)
<b>Gross profit</b>		17,552,028	16,531,824
Administrative expenses		(14,172,875)	(9,824,049)
Other operating income		7,780	21,593
<b>Operating profit</b>	<b>6</b>	3,386,933	6,729,368
Interest receivable and similar income	<b>8</b>	330,439	281,606
Interest payable and similar expenses	<b>9</b>	(6,833)	(1,922)
Other gains and losses	<b>10</b>	-	101,546
<b>Profit before taxation</b>		3,710,539	7,110,598
Tax on profit	<b>11</b>	(624,507)	(1,891,400)
<b>Profit for the financial year</b>		3,086,032	5,219,198
<b>Other comprehensive income net of taxation</b>			
Currency translation differences		150,931	(713,773)
<b>Total comprehensive income for the year</b>		3,236,963	4,505,425

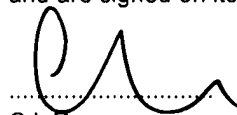
Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

**A24 GROUP LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Goodwill	13	1,433,369		1,638,136	
Tangible assets	14	15,959,808		14,456,061	
Investment properties	15	-		208,992	
		<u>17,393,177</u>		<u>16,303,189</u>	
<b>Current assets</b>					
Stocks	18	348,481		206,499	
Debtors	19	18,884,178		17,857,103	
Cash at bank and in hand		35,962,520		37,328,321	
		<u>55,195,179</u>		<u>55,391,923</u>	
<b>Creditors: amounts falling due within one year</b>	20	(19,080,709)		(21,371,975)	
<b>Net current assets</b>		<u>36,114,470</u>		<u>34,019,948</u>	
<b>Total assets less current liabilities</b>		<u>53,507,647</u>		<u>50,323,137</u>	
<b>Creditors: amounts falling due after more than one year</b>	21	-		(4,263)	
<b>Provisions for liabilities</b>	24	(27,292)		(75,482)	
<b>Net assets</b>		<u>53,480,355</u>		<u>50,243,392</u>	
<b>Capital and reserves</b>					
Called up share capital	26	700		700	
Capital redemption reserve	27	300		300	
Profit and loss reserves	27	53,479,355		50,242,392	
<b>Total equity</b>		<u>53,480,355</u>		<u>50,243,392</u>	

The financial statements were approved by the board of directors and authorised for issue on .....  
and are signed on its behalf by: *26 June 2020*

  
.....  
C L Rees  
Director

**A24 GROUP LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2019**

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	2,250,815	2,119,605
Investments	16	728,652	4,447,922
		<u>2,979,467</u>	<u>6,567,527</u>
<b>Current assets</b>			
Debtors	19	17,220,739	30,382,243
Cash at bank and in hand		33,873,019	35,483,154
		<u>51,093,758</u>	<u>65,865,397</u>
<b>Creditors: amounts falling due within one year</b>	20	<u>(38,439,814)</u>	<u>(47,049,856)</u>
<b>Net current assets</b>		<u>12,653,944</u>	<u>18,815,541</u>
<b>Total assets less current liabilities</b>		<u>15,633,411</u>	<u>25,383,068</u>
<b>Provisions for liabilities</b>	24	<u>(27,292)</u>	<u>(14,105)</u>
<b>Net assets</b>		<u><u>15,606,119</u></u>	<u><u>25,368,963</u></u>
<b>Capital and reserves</b>			
Called up share capital	26	700	700
Capital redemption reserve	27	300	300
Profit and loss reserves	27	15,605,119	25,367,963
<b>Total equity</b>		<u><u>15,606,119</u></u>	<u><u>25,368,963</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £9,781,795 (2018: £5,338,224 profit).

The financial statements were approved by the board of directors and authorised for issue on .....  
and are signed on its behalf by: *26. June. 2020*

  
C L Rees  
Director

# A24 GROUP LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2017</b>		700	300	50,736,967	50,737,967
<b>Year ended 30 June 2018:</b>					
Profit for the year		-	-	5,219,198	5,219,198
Other comprehensive income net of taxation:					
Currency translation differences		-	-	(713,773)	(713,773)
Total comprehensive income for the year		-	-	4,505,425	4,505,425
Dividends	12	-	-	(5,000,000)	(5,000,000)
<b>Balance at 30 June 2018</b>		700	300	50,242,392	50,243,392
<b>Year ended 30 June 2019:</b>					
Profit for the year		-	-	3,086,032	3,086,032
Other comprehensive income net of taxation:					
Currency translation differences		-	-	150,931	150,931
Total comprehensive income for the year		-	-	3,236,963	3,236,963
<b>Balance at 30 June 2019</b>		700	300	53,479,355	53,480,355

# A24 GROUP LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2017</b>		700	300	25,029,739	25,030,739
<b>Year ended 30 June 2018:</b>					
Profit and total comprehensive income for the year		-	-	5,338,224	5,338,224
Dividends	12	-	-	(5,000,000)	(5,000,000)
<b>Balance at 30 June 2018</b>		700	300	25,367,963	25,368,963
<b>Year ended 30 June 2019:</b>					
Loss for the year		-	-	(9,781,795)	(9,781,795)
Other comprehensive income net of taxation:					
Currency translation differences		-	-	18,951	18,951
Total comprehensive income for the year		-	-	(9,762,844)	(9,762,844)
<b>Balance at 30 June 2019</b>		700	300	15,605,119	15,606,119

# A24 GROUP LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	2,418,752		3,423,894	
Interest paid		(6,833)		(1,922)	
Income taxes paid		(1,406,858)		(1,499,594)	
<b>Net cash inflow from operating activities</b>		<u>1,005,061</u>		<u>1,922,378</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(3,051,287)		(9,389,653)	
Proceeds on disposal of tangible fixed assets		-		15,416	
Proceeds on disposal of investment property		208,992		-	
Interest received		330,439		281,606	
<b>Net cash used in investing activities</b>		<u>(2,511,856)</u>		<u>(9,092,631)</u>	
<b>Financing activities</b>					
Payment of finance leases obligations		(9,940)		(17,605)	
<b>Net cash used in financing activities</b>		<u>(9,940)</u>		<u>(17,605)</u>	
<b>Net decrease in cash and cash equivalents</b>		<u>(1,516,735)</u>		<u>(7,187,858)</u>	
Cash and cash equivalents at beginning of year		37,328,321		45,229,952	
Effect of foreign exchange rates		150,934		(713,773)	
<b>Cash and cash equivalents at end of year</b>		<u><u>35,962,520</u></u>		<u><u>37,328,321</u></u>	

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

#### Company information

A24 Group Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 92-96 Lind Road, Sutton, Surrey, England, SM1 4PL.

The group consists of A24 Group Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Strategic Report.

#### 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, including the provisions of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 investment properties at fair value.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated within these financial statements of A24 Group Limited.

The principal accounting policies adopted are set out below.



# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 1 Accounting policies (Continued)

##### **Basis of consolidation**

The consolidated financial statements incorporate those of A24 Group Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method.

All financial statements are made up to 30 June 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 1 Accounting policies (Continued)

##### **Going concern**

During the year, and since the balance sheet date, the company continued to trade profitably.

Since the balance sheet date, the company has been operating in an environment affected by the COVID-19 virus crisis. The potential risks from this, in the nursing business, included disruption to the availability of appropriate medical and care staff, disruption to demand, direct effects on personnel, and effects on credit control. To date, the company has been successful in managing these risks. The company has continued to have access to appropriate staff. Demand from the client base has reduced, but there is still viable demand for the company's services. The company has appropriately managed credit terms with clients to maintain cashflow. The company's own sales and administrative personnel are working remotely through effective use of communication channels.

The crisis is currently having a more significant impact on the golf and hospitality businesses with the gardens and golf course reopened but the retail and hospitality elements still closed. The directors are aware of the risks to the business in terms of liquidity and have put in place appropriate measures including cost cutting and accessing government reliefs including the Coronavirus Job Retention Scheme. These businesses will require and will receive support from the group.

The directors have assessed the ongoing COVID-19 situation and consider that the group and company has undertaken the needed actions to maintain business operations, commercial relationships and company financial assets.

In order to assess the going concern assumption, the directors have considered the working capital requirements for the period covering at least 12 months from the date of approval of these financial statements. They consider that the company and group has sufficient appropriate resources to meet its liabilities as they fall due, for at least twelve months from the date of approval of these financial statements. Accordingly, the directors have prepared the financial statements on a going concern basis.

##### **Turnover**

Turnover represents amounts receivable for services net of VAT.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the services supplied, stated net of discounts and value added taxes. The group recognises revenue when the amount of revenue can be reliably measured, when it is probable that the future economic benefits will flow to the group, and when specific criteria have been met for each of the group's activities.

Membership subscriptions paid in advance are held as deferred income and are recognised over the period to which they relate. Food and beverage sales provided in the normal course of business are recognised net of trade discounts, VAT and other sales related taxes at the point at which goods and services are delivered to the customer.

Income from the placement of temporary agency workers represents the gross sales value of hours worked and is recognised weekly on an accruals basis.

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 1 Accounting policies (Continued)

##### **Intangible fixed assets - goodwill**

Acquired goodwill arising on the acquisition of subsidiary undertakings, representing the difference between the fair value of the consideration payable and the fair value of the separable net assets acquired is capitalised on the balance sheet.

##### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Goodwill	10 years straight line
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The directors are of the opinion that this is the period over which the goodwill will give rise to economic benefits.

##### **Tangible fixed assets**

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

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

Freehold Property	2% straight line
Plant and machinery	50% reducing balance
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance
Biological assets	Not depreciated until assets fully matured, subsequently depreciated 5% straight line

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.

##### **Investment properties**

Investment property, which is property held for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

##### **Fixed asset investments**

In the separate accounts of the Company, interests in subsidiaries 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 group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **Impairment of fixed assets**

At each reporting period end date, the group 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.

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 1 Accounting policies (Continued)

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.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

#### **Financial instruments**

The group 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 when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets and liabilities 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 financial instrument is measured as the present value of the future cash flows discounted at a market rate of interest.

#### **Impairment of financial assets**

Financial assets 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 group 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.

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 1 Accounting policies (Continued)

##### ***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 group after deducting all of its liabilities.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

##### ***Equity instruments***

Equity instruments issued by the group are recorded at the fair value of 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 group.

##### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

##### ***Deferred tax***

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For investment properties measured at fair value deferred tax is measured using the tax rates and allowances that apply to the sale of the property.

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 1 Accounting policies (Continued)

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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

##### **Retirement benefits**

The company contributes to individual money purchase schemes. Contributions are charged to the profit and loss account as they are incurred.

##### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

##### **Foreign exchange**

The financial statements of group companies which report in currencies other than sterling are translated into sterling at the average rate for the relevant period for the profit and loss account and the period end rate for the closing balance sheet. Capital and reserves are translated at historic rates. Differences arising on consolidation of foreign currency financial statements are credited or debited to other comprehensive income.

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities, and all other exchange gains and losses are dealt with in the profit and loss account in the year which they arise.

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

#### *Goodwill*

Due to the acquisition of Benguela Cove Investments Limited the group recognised goodwill. The directors have estimated the economic life of the goodwill to be 10 years from the date of the acquisition.

#### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Healthcare staffing	46,447,253	47,327,217
Other income	2,836,862	1,654,623
	<u>49,284,115</u>	<u>48,981,840</u>
	2019 £	2018 £
<b>Other revenue</b>		
Interest income	<u>330,439</u>	<u>281,606</u>
	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	45,333,098	43,108,284
South Africa	3,951,017	5,873,556
	<u>49,284,115</u>	<u>48,981,840</u>

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

#### 4 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	282,371	272,321
Company pension contributions to defined contribution schemes	3,333	9,600
	<u>285,704</u>	<u>281,921</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018: 1).

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

	2019 £	2018 £
Remuneration for qualifying services	221,773	208,491
Company pension contributions to defined contribution schemes	3,333	9,600
	<u>225,106</u>	<u>218,091</u>

#### 5 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Administration	360	332	55	59
Directors	2	2	2	2
	<u>362</u>	<u>334</u>	<u>57</u>	<u>61</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	7,464,933	5,724,574	1,653,780	1,701,126
Social security costs	414,379	279,089	214,827	209,173
Pension costs	125,448	71,040	48,074	33,344
	<u>8,004,760</u>	<u>6,074,703</u>	<u>1,916,681</u>	<u>1,943,643</u>



# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 6 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	189,794	(1,453,979)
Depreciation of owned tangible fixed assets	1,536,682	1,216,333
Loss on disposal of tangible fixed assets	18,164	16,031
Amortisation of intangible assets	204,767	204,769
Cost of stocks recognised as an expense	323,235	270,806
Operating lease charges	409,063	381,601

### 7 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	36,200	29,000
Audit of the financial statements of the company's subsidiaries	30,182	31,500
	66,382	60,500
<b>For other services</b>		
Taxation compliance services	20,000	18,850
All other non-audit services	18,500	17,150
	38,500	36,000

### 8 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	330,439	281,606
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	330,439	281,606

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 9 Interest payable and similar expenses

	2019	2018
	£	£
Interest payable to group undertakings	2,588	-
Other interest on financial liabilities	3,212	-
Interest on finance leases and hire purchase contracts	1,033	1,922
Total finance costs	6,833	1,922

### 10 Other gains and losses

	2019	2018
	£	£
Changes in the fair value of investment properties	-	101,546

### 11 Taxation

	2019	2018
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	853,196	1,341,521
Adjustments in respect of prior periods	(283,633)	286,266
Double tax relief	(158,704)	(144,326)
Total UK current tax	410,859	1,483,461
Foreign current tax on profits for the current period	226,338	270,765
Total current tax	637,197	1,754,226
<b>Deferred tax</b>		
Origination and reversal of timing differences	(12,690)	137,562
Adjustment in respect of prior periods	-	(388)
Total deferred tax	(12,690)	137,174
Total tax charge	624,507	1,891,400

The applicable tax rate for the current the same as the prior period due to no movement in the main rate of UK corporation tax. The tax rate has remained 19% throughout 2018 and 2019.

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 11 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	3,710,539	7,110,598
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	705,002	1,351,014
Tax effect of expenses that are not deductible in determining taxable profit	3,245	254
Change in unrecognised deferred tax assets	(68,007)	98,045
Adjustments in respect of prior years	(134,967)	286,266
Foreign tax credits	(158,704)	(144,326)
Other tax adjustments	(34,774)	19,765
Fixed asset timing differences	85,900	111,330
Movement in deferred tax rate	474	(3,456)
Foreign tax	226,338	172,508
Taxation charge	624,507	1,891,400

### 12 Dividends

	2019 £	2018 £
Final paid	-	5,000,000

The dividends proposed in the year were £nil (2018: £6,986,028), from which a shareholder waived their dividend. Net dividends in the year were £nil (2018: £5,000,000).

### 13 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 July 2018 and 30 June 2019	5,538,053
<b>Amortisation and impairment</b>	
At 1 July 2018	3,899,917
Amortisation charged for the year	204,767
At 30 June 2019	4,104,684

## A24 GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2019

#### 13 Intangible fixed assets (Continued)

##### Carrying amount

At 30 June 2019	1,433,369
At 30 June 2018	1,638,136

The company had no intangible fixed assets at 30 June 2019 or 30 June 2018.

The amortisation charge for the year is recognised within administrative expenses.

#### 14 Tangible fixed assets

Group	Freehold Property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Biological assets £	Total £
<b>Cost</b>						
At 1 July 2018	12,519,591	5,318,232	2,356,610	865,463	412,552	21,472,448
Additions	201,442	629,861	1,746,439	183,866	289,679	3,051,287
Disposals	-	-	-	(31,469)	-	(31,469)
Exchange adjustments	-	-	1,530	882	-	2,412
At 30 June 2019	12,721,033	5,948,093	4,104,579	1,018,742	702,231	24,494,678
<b>Depreciation and impairment</b>						
At 1 July 2018	525,543	3,981,244	1,840,211	669,389	-	7,016,387
Depreciation charged in the year	183,163	621,339	544,002	183,027	5,151	1,536,682
Eliminated in respect of disposals	-	-	-	(20,608)	-	(20,608)
Exchange adjustments	-	-	1,528	881	-	2,409
At 30 June 2019	708,706	4,602,583	2,385,741	832,689	5,151	8,534,870
<b>Carrying amount</b>						
At 30 June 2019	12,012,327	1,345,510	1,718,838	186,053	697,080	15,959,808
At 30 June 2018	11,994,048	1,336,988	516,399	196,074	412,552	14,456,061

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 14 Tangible fixed assets (Continued)

Company	Freehold Property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2018	2,065,494	2,105,222	878,937	723,207	5,772,860
Additions	73,445	169,169	3,196	172,105	417,915
Disposals	-	-	-	(27,605)	(27,605)
At 30 June 2019	2,138,939	2,274,391	882,133	867,707	6,163,170
<b>Depreciation and impairment</b>					
At 1 July 2018	383,405	2,028,986	653,957	582,338	3,648,686
Depreciation charged in the year	41,636	122,703	55,904	60,170	280,413
Eliminated in respect of disposals	-	-	-	(16,744)	(16,744)
At 30 June 2019	425,041	2,151,689	709,861	625,764	3,912,355
<b>Carrying amount</b>					
At 30 June 2019	1,713,898	122,702	172,272	241,943	2,250,815
At 30 June 2018	1,682,089	76,236	220,411	140,869	2,119,605

During the year the group acquired biological assets which relate to a vineyard, the additions are held at cost. Depreciation is not recognised on the vineyard assets where the related assets are in the early growing stages. Depreciation is recognised where these assets are considered fully developed.

Included in the group's plant and machinery are assets held under finance leases with a net book value of £67,788 (2018: £77,742) and depreciation charge for the year of £9,865 (2018: £11,068).

Depreciation of tangible fixed assets is shown within administrative expenses.

### 15 Investment property

	Group 2019 £	Company 2019 £
<b>Fair value</b>		
At 1 July 2018 and 30 June 2019	208,992	-
Disposals	(208,992)	-
At 30 June 2019	-	-

Investment property comprises freehold buildings. The fair value of the group's investment property at 30 June 2018 has been arrived at on the basis of a valuation carried out at that date by the directors of the group. The valuation was carried out on an open market basis by reference to market evidence of transaction prices for similar properties.

During the year, the group disposed its investment properties for consideration of R3,775,000 translated to £208,992 for no profit or loss on disposal.

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 16 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	17	-	-	728,652	4,447,922

### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 July 2018 and 30 June 2019	4,447,922
<b>Impairment</b>	
At 1 July 2018	-
Impairment losses	3,719,270
At 30 June 2019	3,719,270
<b>Carrying amount</b>	
At 30 June 2019	728,652
At 30 June 2018	4,447,922

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

#### 17 Subsidiaries

Details of the company's subsidiaries at 30 June 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
A24 Group (Pty) Limited	1	Recruitment agency	Ordinary shares	100.00	-
Ambition Recruitment Services Limited	2	Dormant	Ordinary shares	100.00	-
Arabella Health Staffing Limited	2	Recruitment agency	Ordinary shares	100.00	-
Benguela Cove Investments Limited	2	Golf club	Ordinary shares	100.00	-
Clarbow Limited	2	Country house operation and management	Ordinary shares	100.00	-
Grosvenor Staffing Limited	2	Recruitment agency	Ordinary shares	100.00	-
Locum Services of the UK Limited	2	Dormant	Ordinary shares	100.00	-
Mayfair Staffing Limited	2	Recruitment agency	Ordinary shares	100.00	-
NS Health Staffing Limited	2	Dormant	Ordinary shares	100.00	-
Nursing Services of South Africa (Pty) Limited	1	Recruitment agency	Ordinary shares	100.00	-
QA Calling Limited	2	Dormant	Ordinary shares	100.00	-
The Nursing Services of the UK Limited	2	Dormant	Ordinary shares	100.00	-

1 - Ambition House, 107 Voortrekker Road, Bellville, 7535, South Africa

2 - 92-96 Lind Road, Sutton, Surrey, England, SM1 4PL

All of the above subsidiaries are included in the consolidated financial statements.

In the prior year, Charles Rees (Director) held 1 Ordinary share of £1.00 in each of Mayfair Staffing Limited and Grosvenor Staffing Limited. Both were registered in his name as nominee of and trustee for A24 Group Limited. During the year, these shares have been transferred to A24 Group Limited.

#### 18 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Finished goods and goods for resale	348,481	206,499	-	-

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 19 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	4,748,174	4,550,254	2,352,732	2,732,250
Corporation tax recoverable	1,552,398	787,559	1,845,803	653,943
Amounts owed by group undertakings	-	-	990,369	15,023,178
Other debtors	11,504,735	11,551,753	11,474,906	11,446,286
Prepayments and accrued income	1,065,490	919,504	556,929	526,586
	<u>18,870,797</u>	<u>17,809,070</u>	<u>17,220,739</u>	<u>30,382,243</u>
Deferred tax asset (note 24)	13,381	48,033	-	-
	<u>18,884,178</u>	<u>17,857,103</u>	<u>17,220,739</u>	<u>30,382,243</u>

### 20 Creditors: amounts falling due within one year

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Obligations under finance leases	22	5,811	11,488	-	-
Trade creditors		3,796,521	3,676,113	2,111,093	1,943,535
Amounts owed to group undertakings		-	-	31,345,790	28,992,303
Corporation tax payable		-	3,974	-	-
Other taxation and social security		1,110,722	742,701	477,727	460,481
Other creditors		13,095,495	15,290,463	4,081,466	14,860,183
Accruals and deferred income		1,072,160	1,647,236	423,738	793,354
		<u>19,080,709</u>	<u>21,371,975</u>	<u>38,439,814</u>	<u>47,049,856</u>

### 21 Creditors: amounts falling due after more than one year

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Obligations under finance leases	22	-	4,263	-	-



# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 22 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Less than one year	5,811	11,488	-	-
Between one and five years	-	4,263	-	-
	<u>5,811</u>	<u>15,751</u>	<u>-</u>	<u>-</u>

Obligations under finance leases are secured over the assets to which they relate.

### 23 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	<u>16,300,398</u>	<u>16,905,958</u>	<u>n/a</u>	<u>n/a</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<u>17,957,962</u>	<u>20,602,339</u>	<u>n/a</u>	<u>n/a</u>

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

### 24 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
<b>Group</b>				
Accelerated capital allowances	27,292	75,482	-	-
Other timing differences	-	-	13,381	48,033
	<u>27,292</u>	<u>75,482</u>	<u>13,381</u>	<u>48,033</u>
<b>Company</b>				
Accelerated capital allowances	<u>27,292</u>	<u>14,105</u>	<u>-</u>	<u>-</u>

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 24 Deferred taxation (Continued)

	Group 2019 £	Company 2019 £
<b>Movements in the year:</b>		
Liability at 1 July 2018	27,449	14,105
(Credit)/charge to profit or loss	(13,538)	13,187
Liability at 30 June 2019	<u>13,911</u>	<u>27,292</u>

The deferred tax asset set out above of £13,381 is expected to reverse within 12 months and relates to short term timing differences.

Deferred tax is not recognised in respect of trading losses of £1,182,845 (2018: £1,182,845) as it is not probable that they will be recovered against future taxable profits.

### 25 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>125,448</u>	<u>71,040</u>

The group has pension commitments outstanding at the year end of £61,955 (2018: £33,443).

### 26 Share capital

	Group and company 2019 £	2018 £
<b>Ordinary share capital Issued and fully paid</b>		
700 Ordinary shares of £1 each	<u>700</u>	<u>700</u>

Ordinary shares hold full voting and dividend rights.

# A24 GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 27 Reserves

Reserves of the group represent the following:

**Capital redemption reserve**

The nominal value of shares repurchased.

**Retained earnings**

Cumulative profit and loss net of distributions to owners.

### 28 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	3,086,032	5,219,198
Adjustments for:		
Taxation charged	624,507	1,891,400
Finance costs	6,833	1,922
Investment income	(330,439)	(281,606)
Loss on disposal of tangible fixed assets	10,861	16,031
Amortisation and impairment of intangible assets	204,767	204,769
Depreciation and impairment of tangible fixed assets	1,536,682	1,216,333
Foreign exchange gains on cash equivalents	(3)	69,961
Other gains and losses	-	(101,546)
Movements in working capital:		
(Increase)/decrease in stocks	(141,982)	30,351
(Increase) in debtors	(296,891)	(5,573,099)
(Decrease)/increase in creditors	(2,281,615)	730,180
<b>Cash generated from operations</b>	<b>2,418,752</b>	<b>3,423,894</b>

## A24 GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2019

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#### 29 Events after the reporting date

##### Share repurchase

On 25 July 2019 the company repurchased 199 shares from its ordinary share capital, for a consideration of £6.25m and stamp duty was payable of £31,250.

There has been no change of control or ownership post repurchase.

##### Coronavirus (COVID-19)

The World Health Organisation officially declared the coronavirus (COVID-19) outbreak a global pandemic on 11 March 2020, and the UK entered its lockdown from 22 March. The impact of COVID-19 on UK and global economies and businesses is significant. The nursing business has continued to trade through this period with appropriate available medical and care staff, continued demand from clients, maintaining cashflow from trading, and effective remote working by staff. The golf and hospitality businesses are more directly affected and, whilst the golf course and gardens are now open, the retail and hospitality parts of the businesses remain closed in line with government guidelines.

Whilst the directors cannot fully predict the overall impact on the company or group (or its customers or suppliers) they are confident nursing business has access to customers, suppliers and the appropriate resources to continue trading profitably. For the golf and hospitality businesses the directors are confident that they are taking all appropriate steps to safeguard the business, including with support from the group.

#### 30 Related party transactions

##### Remuneration of key management personnel

Total remuneration to key management personnel for the group was £314,288 (2018: £309,557).

The group maintains current accounts with entities controlled by common directors. At the year end, the group was owed net receivables of £10,683,519 (2018: £11,069,183) by companies controlled by a common director. These amounts are interest free and repayable on demand.

#### 31 Directors' transactions

The group maintains a current account with a company director. During the year, the director made net drawings of £3,069,100 (2018: £253,140) and the account was credited with a net dividend of £nil (2018: £5,000,000).

During the year, the director reassigned £8,000,000 (2018: £nil) of debt from subsidiaries of the group to herself. At the year end, the group owed the director £11,409,409 (2018: £14,478,509) and the company owed the director £3,409,409 (2018: £14,478,509). These balances are interest free and included within other creditors falling due within one year.