

Company Registration No. 04998433 (England and Wales)

**Excellerate Services Holdings UK Limited
(formerly Excellerate Services UK Limited)**

Annual report and financial statements

For the year ended 30 June 2020



55 Loudoun Road
St John's Wood
London NW8 0DL

EXCELLERATE SERVICES HOLDINGS UK LIMITED

COMPANY INFORMATION

Directors	K French H M Soning G G Hulley C J Phipps
Company number	04998433
Registered office	55 Loudoun Road St John's Wood London NW8 0DL
Auditor	MGR Weston Kay LLP 55 Loudoun Road St John's Wood London NW8 0DL
Business address	LCC House The Old Pump Works Great Warley Street Great Warley Brentwood Essex CM13 3JR
Bankers	Barclays Bank Plc Business Services Level 27 1 Churchill Place London E14 5HP

EXCELLERATE SERVICES HOLDINGS UK LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 24

EXCELLERATE SERVICES HOLDINGS UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present the strategic report for the year ended 30 June 2020.

Fair review of the business

The directors are satisfied with the results in the current climate for the year despite having achieved an operating loss for the year of £106,618.

Gross margins deteriorated as a result of aggressive market conditions. The directors are committed to exploring ways of reducing operational costs whilst maintaining the high level of quality of service provided to clients.

Key performance indicators

	2020	2019
	£	£
Gross profit margin	16.60%	17.30%
Operating profit	(106,618)	221,866
(Loss)/profit before taxation	(399,002)	(118,678)

Principal risks and uncertainties

The principal risks facing the company are:

Economic uncertainty - the company and the industry sectors it services all face ongoing uncertainty over the impact of both Brexit and the coronavirus, which could affect labour resources, corporate customer confidence and ongoing investment in the UK market. Reliance on the government furlough scheme has allowed the company to retain staff, but there is increased uncertainty surrounding the general economic outlook once this program expires.

Increased competition and challenging market conditions - with both public and private sector clients facing continuing austerity and cost cutting measures, contract awards may be heavily weighted by price and immediate savings opportunities rather than the quality of service. This potentially threatens both future revenue and margins with increased competition from both businesses offering bundled services and facilities management companies.

COVID-19 - COVID-19 has had a significant impact on the UK economy, our customers and our business. The lockdown that the UK entered into on the 23 March 2020 was particularly difficult and this resulted in a poor Q4 performance. The company is continuing to trade and has made use of government support where required, notably the Coronavirus Job Retention Scheme. COVID-19 is likely to have a detrimental effect on the market for the next 12 months, however, with the approval of the first vaccine now completed there is light at the end of the tunnel.

EXCELLERATE SERVICES HOLDINGS UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Goals and objectives

The company aim to deliver a sustainable level of organic growth and improved margins through continued investment in its people and new technology.

We are proud to support the Living Wage and will continue to encourage all clients to pay the LW and reap the benefits of doing so.

Future outlook

We expect harsh market conditions in the next financial year due to COVID-19, but hope, given the virus's impact on people's lives, that quality cleaning services rank higher in business's priorities.

During the course of the next financial year, the emphasis will be on margin improvement and business retention.

2021 will see the consolidation of all Excellerate UK trading entities into Excellerate Services UK Limited which will further strengthen the brand and yield savings & operational efficiencies.

On behalf of the board

K French

Director

3 December 2020

EXCELLERATE SERVICES HOLDINGS UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present their annual report and financial statements for the year ended 30 June 2020.

The company changed its name to Excellerate Services Holdings UK Limited with effect from 1 July 2020.

Principal activities

The principal activity of the company continued to be that of the provision of security and cleaning services.

Directors

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

K French	(Appointed 28 September 2020)
H M Soning	
G G Hulley	
C J Phipps	
J L Soning	(Resigned 28 September 2020)
M J Carter	(Resigned 28 September 2020)

Results and dividends

The results for the year are set out on page 9.

No dividends were paid during the year. The directors do not recommend payment of a final dividend.

Financial instruments

Treasury operations and financial instruments

The company operates a treasury function which is responsible for managing the liquidity and interest risk associated with the company's activities.

The company manages its cash and borrowing requirements in order to minimise interest expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of the business.

The company is exposed to interest rate risk on loans and finance lease costs.

In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations. In accordance with the company's treasury policy, derivatives are not entered into for speculative purposes.

Liquidity risk

The company manages its cash and borrowing requirements in order to meet its day to day business and operating needs.

Interest rate risk

The company is exposed to fair value interest rates risk on its borrowing and continually manages this risk to reduce the company's exposure in this area.

Credit risk

Customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision for doubtful debts made where necessary.

EXCELLERATE SERVICES HOLDINGS UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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 company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

Diversity

Excellerate Services Holdings UK Limited practice equal opportunities and welcomes diversity in all its forms, recognising the value of diversity in the workplace and its rewards of encouraging creativity, broader cultural understanding and access to a wider pool of talent.

The company's policy is to consult and discuss with employees, through unions 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 company's performance.

Employee training and development

The company's success in developing people is based on finding the right blend of learning on the job, through engaging and challenging tasks, learning from colleagues through collaboration, coaching and monitoring.

The company will continue to develop and promote what it considers the right combination of learning experiences that help accelerate personal development and remains committed to providing opportunities for career advancement.

Auditor

The auditors, MGR Weston Kay LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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

On behalf of the board

K French

Director

3 December 2020

EXCELLERATE SERVICES HOLDINGS UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

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

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

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

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

EXCELLERATE SERVICES HOLDINGS UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS' OF EXCELLERATE SERVICES HOLDINGS UK LIMITED

Opinion

We have audited the financial statements of Excellerate Services Holdings UK Limited (the 'company') for the year ended 30 June 2020 which comprise the statement of comprehensive income, the balance sheet, the 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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 directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

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.

EXCELLERATE SERVICES HOLDINGS UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS' OF EXCELLERATE SERVICES HOLDINGS UK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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.

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.

EXCELLERATE SERVICES HOLDINGS UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS' OF EXCELLERATE SERVICES HOLDINGS UK LIMITED

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Nigel Walfisz FCA (Senior Statutory Auditor)

for and on behalf of MGR Weston Kay LLP

Chartered Accountants

Statutory Auditor

55 Loudoun Road

St John's Wood

London

NW8 0DL

23 February 2021

EXCELLERATE SERVICES HOLDINGS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Turnover	3	8,189,296	11,416,779
Cost of sales		(6,832,098)	(9,441,840)
Gross profit		1,357,198	1,974,939
Administrative expenses		(1,834,339)	(1,807,707)
Other operating income		370,523	54,634
Operating (loss)/profit	4	(106,618)	221,866
Interest payable and similar expenses	7	(292,384)	(340,544)
Loss before taxation		(399,002)	(118,678)
Tax on loss	8	19,385	-
Loss for the financial year		(379,617)	(118,678)

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

EXCELLERATE SERVICES HOLDINGS UK LIMITED

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	9	96,320	183,104
Investments	10	8,207,851	8,207,851
		<u>8,304,171</u>	<u>8,390,955</u>
Current assets			
Debtors	12	1,525,040	1,849,907
Cash at bank and in hand		598,682	646,854
		<u>2,123,722</u>	<u>2,496,761</u>
Creditors: amounts falling due within one year	13	(2,453,700)	(2,349,347)
Net current (liabilities)/assets		<u>(329,978)</u>	<u>147,414</u>
Total assets less current liabilities		<u>7,974,193</u>	<u>8,538,369</u>
Creditors: amounts falling due after more than one year	14	(7,409,069)	(7,593,628)
Net assets		<u>565,124</u>	<u>944,741</u>
Capital and reserves			
Called up share capital	19	1,980	1,980
Other reserves		1,039,085	1,039,085
Profit and loss reserves		(475,941)	(96,324)
Total equity		<u>565,124</u>	<u>944,741</u>

The financial statements were approved by the board of directors and authorised for issue on 3 December 2020 and are signed on its behalf by:

K French
Director

H M Soning
Director

Company Registration No. 04998433

EXCELLERATE SERVICES HOLDINGS UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2018	1,980	1,039,085	22,354	1,063,419
Period ended 30 June 2019:				
Loss and total comprehensive income for the period	-	-	(118,678)	(118,678)
Balance at 30 June 2019	1,980	1,039,085	(96,324)	944,741
Year ended 30 June 2020:				
Loss and total comprehensive income for the year	-	-	(379,617)	(379,617)
Balance at 30 June 2020	1,980	1,039,085	(475,941)	565,124

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

Excellerate Services Holdings UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 55 Loudoun Road, St John's Wood, London, NW8 0DL.

The company had a change of name on 1 July 2020 from Excellerate Services UK Limited.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This 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:

- 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': 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 company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of the company are consolidated in the financial statements of Excellerate Holdings (Pvt) Limited. These consolidated financial statements are available from its registered office 55 Loudoun Road, St John's Wood, London, NW8 0DL.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Furthermore, if required, the parent company will continue to provide financial assistance to enable the company to continue to meet its day to day commitments for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.3 Turnover

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

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined by reference to the hours worked as a proportion of total hours to be worked at the reporting date.

1.4 Tangible fixed assets

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

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

Leasehold improvements	Over the remaining life of the lease
Fixtures, fittings & equipment	33% straight line
Motor vehicles	25% reducing balance

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

1.5 Fixed asset investments

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.7 Cash at bank and in hand

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

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.8 Financial instruments

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Basic financial liabilities

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

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.9 Taxation

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

Current tax

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

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 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.

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

1.11 Retirement benefits

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

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.12 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 balance sheet 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 income on a straight line basis over the term of the relevant lease.

1.13 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Accrued income

An amount has been calculated and included in the accounts for income due to the company which had not been invoiced during the year.

Accrued holiday pay

A provision has been calculated and included in the accounts based on wages and salaries that may become payable to employees should they leave employment with the company.

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

3 Turnover and other revenue

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

	2020	2019
	£	£
Turnover analysed by class of business		
Security services	3,626,245	4,840,786
Cleaning services	4,563,051	6,575,993
	<u>8,189,296</u>	<u>11,416,779</u>

4 Operating (loss)/profit

	2020	2019
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange gains	(2,540)	-
Fees payable to the company's auditor for the audit of the company's financial statements	37,105	40,167
Depreciation of owned tangible fixed assets	86,815	75,214
Depreciation of tangible fixed assets held under finance leases	18,847	31,975
Loss/(profit) on disposal of tangible fixed assets	535	(2,578)
Operating lease charges	56,762	67,424
	<u>196,504</u>	<u>152,238</u>

5 Employees

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

	2020	2019
	Number	Number
Management and administration	19	32
Cleaning and security operations	352	462
	<u>371</u>	<u>494</u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	6,378,167	8,265,735
Social security costs	474,226	636,222
Pension costs	99,373	99,356
	<u>6,951,766</u>	<u>9,001,313</u>

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	154,800	229,952

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

	2020 £	2019 £
Remuneration for qualifying services	n/a	125,510

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

7 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	2,249	30
Interest payable to group undertakings	285,271	327,221
Other interest on financial liabilities	-	6,126
Interest on finance leases and hire purchase contracts	4,864	7,167
	292,384	340,544

8 Taxation

	2020 £	2019 £
Current tax		
Adjustments in respect of prior periods	(19,385)	-

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

8 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	(399,002)	(118,678)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(75,810)	(22,549)
Tax effect of expenses that are not deductible in determining taxable profit	57,652	4,817
Tax effect of utilisation of tax losses not previously recognised	-	(1,188)
Unutilised tax losses carried forward	6,146	-
Adjustments in respect of prior years	(19,385)	-
Group relief	-	12,508
Permanent capital allowances in excess of depreciation	12,012	6,412
Taxation credit for the year	(19,385)	-

9 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2019	17,437	177,236	151,775	346,448
Additions	-	19,911	-	19,911
Disposals	-	-	(1,799)	(1,799)
At 30 June 2020	17,437	197,147	149,976	364,560
Depreciation and impairment				
At 1 July 2019	17,437	85,740	60,166	163,343
Depreciation charged in the year	-	75,649	30,013	105,662
Eliminated in respect of disposals	-	-	(765)	(765)
At 30 June 2020	17,437	161,389	89,414	268,240
Carrying amount				
At 30 June 2020	-	35,758	60,562	96,320
At 30 June 2019	-	91,496	91,608	183,104

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

9 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Fixtures, fittings & equipment	-	16,233
Motor vehicles	29,624	43,765
	<u>29,624</u>	<u>59,998</u>

10 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	11	8,207,851	8,207,851

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 July 2019 & 30 June 2020	8,207,851
Carrying amount	
At 30 June 2020	8,207,851
At 30 June 2019	8,207,851

11 Subsidiaries

Details of the company's subsidiaries at 30 June 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
LCC Holdings Limited	CM13 3JR	Holding company	Ordinary	100.00	0
Excellerate Services UK Limited	CM13 3JR	Cleaning and support services	Ordinary	0	100.00
Templewood Cleaning Services Limited	NW8 0DL	Dormant	Ordinary	100.00	0

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	1,221,027	1,487,450
Corporation tax recoverable	5,422	-
Other debtors	147,161	13,828
Prepayments and accrued income	138,852	336,051
	<u>1,512,462</u>	<u>1,837,329</u>
	<u><u>1,512,462</u></u>	<u><u>1,837,329</u></u>
Amounts falling due after more than one year:		
Deferred tax asset (note 17)	12,578	12,578
	<u>12,578</u>	<u>12,578</u>
	<u><u>12,578</u></u>	<u><u>12,578</u></u>
Total debtors	<u><u>1,525,040</u></u>	<u><u>1,849,907</u></u>

13 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Obligations under finance leases	16	24,341	27,776
Trade creditors		971,759	467,964
Amounts owed to group undertakings		1,115,608	667,400
Corporation tax		-	570
Other taxation and social security		11,991	570,694
Other creditors		141,651	280,704
Accruals and deferred income		188,350	334,239
		<u>2,453,700</u>	<u>2,349,347</u>
		<u><u>2,453,700</u></u>	<u><u>2,349,347</u></u>

14 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Obligations under finance leases	16	9,069	33,628
Other borrowings	15	7,400,000	7,560,000
		<u>7,409,069</u>	<u>7,593,628</u>
		<u><u>7,409,069</u></u>	<u><u>7,593,628</u></u>

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

14 Creditors: amounts falling due after more than one year (Continued)

Net obligations under finance leases and hire purchase contracts are secured by fixed charges on the assets concerned.

15 Loans and overdrafts

	2020	2019
	£	£
Loans from group undertakings	7,400,000	7,560,000
	<u> </u>	<u> </u>
Payable after one year	7,400,000	7,560,000
	<u> </u>	<u> </u>

16 Finance lease obligations

	2020	2019
	£	£
Future minimum lease payments due under finance leases:		
Within one year	24,341	27,776
In two to five years	9,069	33,628
	<u> </u>	<u> </u>
	33,410	61,404
	<u> </u>	<u> </u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17 Deferred taxation

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

	Assets	Assets
	2020	2019
Balances:	£	£
Decelerated capital allowances	12,578	12,578
	<u> </u>	<u> </u>

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

18 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	99,373	99,356
	<u> </u>	<u> </u>

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

19 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
1,980,000 Ordinary shares of £0.001 each	1,980	1,980
	<u> </u>	<u> </u>
	1,980	1,980
	<u> </u>	<u> </u>

20 Financial commitments, guarantees and contingent liabilities

The company has cross guarantees in place with Templewood Cleaning Services Limited and Excellerate Holdings (Pvt) Limited in respect of bank borrowing facilities. At the year end, there was no liability.

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	-	27,471
Between two and five years	-	25,000
In over five years	-	2,466
	<u> </u>	<u> </u>
	-	54,937
	<u> </u>	<u> </u>

22 Events after the reporting date

On 1 July 2020, following a restructuring of the group, the trade and certain assets and liabilities of the company were hived down to its wholly owned subsidiary Excellerate Services UK Limited.

EXCELLERATE SERVICES HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

23 Related party transactions

	Balance at 01/07/2019	Movements	Balance at 30/06/2020
	£	£	£
Amounts owed to related parties			
Templewood Cleaning Services Limited	47,115	-	47,115
Excellerate Holdings (Pvt) Limited	7,588,623	46,689	7,635,312
Excellerate Services UK Ltd	591,662	240,000	831,662
	<u>8,227,400</u>	<u>286,689</u>	<u>8,514,089</u>

Templewood Cleaning Services Limited and Excellerate Services UK Limited are wholly owned subsidiaries of the company.

The balance owed to Excellerate Holdings (Pvt) Limited, the company's immediate parent company, is included in the financial statements with an amount of £235,312 (2019: £28,623) included in creditors due within one year and £7,400,000 (2019: £7,560,000) included in creditors due after more than one year. Interest of £285,271 (2019: £327,221) was payable on this loan balance in the year to 30 June 2020.

24 Control

The company's immediate parent company is Excellerate Holdings (Pvt) Limited, a company registered in England and Wales.

The ultimate parent company is Excellerate Holdings Limited, a company registered in South Africa.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.