

Registered number: 06334968

PALLADIUM SERVICES LTD

UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE PERIOD ENDED 31 MARCH 2020

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A02	26/03/2021	#139
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A09	03/02/2021	#187
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PALLADIUM SERVICES LTD
REGISTERED NUMBER: 06334968

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	31 March 2020 £	22 March 2019 £
Fixed assets			
Intangible assets		-	23,231
Tangible assets	5	20,324	19,534
		<u>20,324</u>	<u>42,765</u>
Current assets			
Stocks	6	9,898	12,829
Debtors: amounts falling due within one year	7	358,815	214,875
Cash at bank and in hand		-	162,414
		<u>368,713</u>	<u>390,118</u>
Creditors: amounts falling due within one year	9	(236,182)	(179,528)
Net current assets		<u>132,531</u>	<u>210,590</u>
Total assets less current liabilities		<u>152,855</u>	<u>253,355</u>
Creditors: amounts falling due after more than one year		-	(233,750)
Provisions for liabilities			
Deferred tax	12	-	(2,090)
		<u>-</u>	<u>(2,090)</u>
Net assets		<u><u>152,855</u></u>	<u><u>17,515</u></u>

PALLADIUM SERVICES LTD
REGISTERED NUMBER: 06334968

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

	Note	31 March 2020 £	22 March 2019 £
Capital and reserves			
Called up share capital		3	3
Profit and loss account		152,852	17,512
		<u>152,855</u>	<u>17,515</u>

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Director



S BHAMBHANI

Date:

15/01/2021

The notes on pages 4 to 14 form part of these financial statements.

PALLADIUM SERVICES LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 March 2018	3	90,248	90,251
Comprehensive income for the year			
Loss for the year	-	(72,736)	(72,736)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(72,736)	(72,736)
	<hr/>	<hr/>	<hr/>
At 23 March 2019	3	17,512	17,515
Comprehensive income for the period			
Profit for the period	-	135,340	135,340
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	135,340	135,340
	<hr/>	<hr/>	<hr/>
At 31 March 2020	3	152,852	152,855
	<hr/>	<hr/>	<hr/>

The notes on pages 4 to 14 form part of these financial statements.

PALLADIUM SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

1. General information

Palladium Services Limited is a company limited by shares and incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company information page. The nature of the Company's operations and its principal activities are set out in the Directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 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. Therefore, the directors have adopted the going concern basis of accounting in preparing the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

PALLADIUM SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.5 Finance costs

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

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

PALLADIUM SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.8 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20% straight line basis
Fixtures and fittings	-	20% straight line basis
Computer equipment	-	33% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

PALLADIUM SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

PALLADIUM SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

3. Employees

The average monthly number of employees, including the directors, during the period was as follows:

	2020 No.	2019 No.
Employees	14	14

4. Intangible assets

	Goodwill £
Cost	
At 23 March 2019	949,393
At 31 March 2020	949,393
Amortisation	
At 23 March 2019	926,162
Charge for the period on owned assets	23,231
At 31 March 2020	949,393
Net book value	
At 31 March 2020	-
At 22 March 2019	23,231

Goodwill has been amortised over a period of 5 years.

PALLADIUM SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

5. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 23 March 2019	319,320
Additions	8,775
At 31 March 2020	328,095
Depreciation	
At 23 March 2019	299,786
Charge for the period on owned assets	7,985
At 31 March 2020	307,771
Net book value	
At 31 March 2020	20,324
At 22 March 2019	19,534

6. Stocks

	31 March 2020 £	22 March 2019 £
Raw materials and consumables	9,898	12,829
	9,898	12,829

PALLADIUM SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

7. Debtors

	31 March 2020 £	22 March 2019 £
Trade debtors	29,933	68,831
Amounts owed by group undertakings	327,191	146,044
Other debtors	458	-
Prepayments and accrued income	1,233	-
	<u>358,815</u>	<u>214,875</u>

8. Cash and cash equivalents

	31 March 2020 £	22 March 2019 £
Cash at bank and in hand	-	162,414
Less: bank overdrafts	(109,634)	-
	<u>(109,634)</u>	<u>162,414</u>

PALLADIUM SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

9. Creditors: Amounts falling due within one year

	31 March 2020 £	22 March 2019 £
Bank overdrafts	109,634	-
Bank loans	-	55,000
Trade creditors	69,219	-
Amounts owed to group undertakings	12,330	330
Other taxation and social security	1,882	2,474
Other creditors	11,648	121,724
Accruals and deferred income	31,469	-
	<u>236,182</u>	<u>179,528</u>

The following liabilities were secured:

	31 March 2020 £	22 March 2019 £
Bank loans	-	55,000
	<u>-</u>	<u>55,000</u>

Details of security provided:

The bank loans are secured by a fixed and floating charge over all the assets of the company and those of its subsidiary undertakings together with cross guarantees throughout the group and an assignment over the director's life and pension policies.

Bank loans are repayable over a period of 5 years and have covenants attached. Interest is charged at 2.85-3.25% above Bank of England base rate.

PALLADIUM SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

10. Creditors: Amounts falling due after more than one year

	31 March 2020 £	22 March 2019 £
Bank loans	-	233,750
	<u>-</u>	<u>233,750</u>

The following liabilities were secured:

	31 March 2020 £	22 March 2019 £
Bank loans	-	233,750
	<u>-</u>	<u>233,750</u>

Details of security provided:

The bank loans are secured by a fixed and floating charge over all the assets of the company and those of its subsidiary undertakings together with cross guarantees throughout the group and an assignment over the director's life and pension policies.

Bank loans are repayable over a period of 5 years and have covenants attached. Interest is charged at 2.85-3.25% above Bank of England base rate...

PALLADIUM SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

11. Loans

Analysis of the maturity of loans is given below:

	31 March 2020 £	22 March 2019 £
Amounts falling due within one year		
Bank loans	-	55,000
	<u>-</u>	<u>55,000</u>
Amounts falling due 1-2 years		
Bank loans	-	233,750
	<u>-</u>	<u>233,750</u>
	<u>-</u>	<u>288,750</u>
	<u>-</u>	<u>288,750</u>

12. Deferred taxation

	2020 £
At beginning of year	(2,090)
Charged to profit or loss	2,090
At end of year	<u>-</u>

The deferred taxation balance is made up as follows:

	31 March 2020 £	22 March 2019 £
Accelerated capital allowances	-	(2,090)
	<u>-</u>	<u>(2,090)</u>

PALLADIUM SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

13. Contingent liabilities

The company is a member of the group banking arrangements of Hertfordshire Centre Limited, Luton Centre Limited, and Hemel Centre Limited. The bank loans are secured by a fixed and floating charge over all the assets of the company and those of its subsidiary undertakings together with cross guarantees throughout the group and an assignment over the director's life and pension policies.

In addition, S. Bhandal, who is a director of the company, has also provided personal guarantee of the value of £1.3m in respect of these loans.

At the balance sheet date, the amount outstanding in respect of these facilities was £3,042,631 (2019 - £3,710,485). Bank loans are repayable over a period of 5 years and have covenants attached. Interest is charged at 2.85-3.25% above Bank of England base rate.

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £3,933 (2019 - £4,757). Contributions totalling £406 (2019 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

15. Related party transactions

The company is a wholly owned subsidiary and has taken advantage of the exemption from disclosure of related party transactions with other wholly owned subsidiaries in paragraph 1AC.35 of FRS 102.

16. Post balance sheet events

The COVID-19 (coronavirus) pandemic has had an increasingly significant effect on individuals, businesses and organisations worldwide, including the Company. The outbreak came into widespread public knowledge in 2020. The Directors have taken all necessary measures to satisfy themselves that the Company will continue to be able to operate throughout the current lockdown conditions and beyond. Therefore, the Company is considered to be a going concern and no adjustments have been made to the figures in these financial statements.

The Directors have considered the effect on the value of the assets and liabilities of the Company since the balance sheet date, as well as actual and expected future income and expenditure, cash flow requirements and the Company's ability to continue as a going concern. They have taken steps to protect the workforce and the business, including its cash flow, so as to be able to maintain liquidity given that the effects of the current crisis are likely to last for several months.

17. Controlling party

The ultimate parent company is Obex Group Limited which prepares consolidated financial statements (Registered office: 105-111, High Street, Houghton Regis, Dunstable, LU5 5BJ).
