

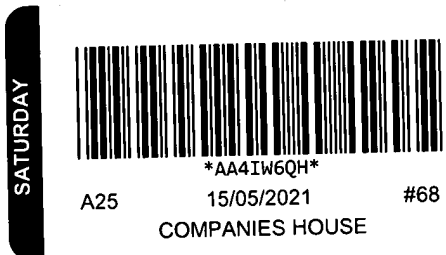
COMPANY REGISTRATION NUMBER: 07458632

Gelder Group Holdings Limited

Financial Statements

For the year ended

31 December 2020



Gelder Group Holdings Limited

Financial Statements

Year ended 31 December 2020

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Gelder Group Holdings Limited

Officers and Professional Advisers

The board of directors	S P Gelder MBE D A Gladwin
Company secretary	W D Gelder
Registered office	Tillbridge Lane Sturton by Stow Lincoln LN1 2BP
Auditor	Streets Audit LLP Chartered Accountants & statutory auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	National Westminster Bank Plc Lincoln Corporate Business Centre 3rd Floor General Buildings Brayford Wharf East Lincoln LN5 7DS

Gelder Group Holdings Limited

Strategic Report

Period from 1 January 2020 to 31 December 2020

The Directors have pleasure in presenting their audited strategic report and the consolidated financial statements of Gelder Group Holdings Limited for the 12 months to December 2020.

PRINCIPAL ACTIVITIES

The principle activities of Gelder Group Holdings Ltd are those of negotiated and tendered contracts, design and build, Insurance repair and renovation, building maintenance works and new build properties, delivered through our two core divisions – Insurance Repair & Renovation (IRR) and Commercial. Our offices are located in Lincoln, Barlborough, Lichfield and Rotherham.

In addition to these core operations, the Group's other activities comprise of high energy drying and pest control (Xeric Ltd), building supplies and tool/plant hire (Redline Buildings Supplies & Services Ltd), architectural design specialists/consultants (Design Space Architecture Ltd), the management and rental of commercial properties (Gelder Investments Ltd) and an online DIY store (LoveDIY Ltd).

BUSINESS REVIEW AND RESULTS

There are various challenges that face all businesses, for example labour or material shortages, lack of specialist skills, political or financial pressures, or changes in legislation and regulations. However, no amount of planning or monitoring could have prepared the group for a global pandemic. One of the toughest challenges we have ever faced and one that not only affected Gelder Group but all businesses around the world. Covid-19 was the 'main event' of 2020 and will continue to affect businesses and society in 2021 and possibly beyond.

It was difficult to plan for any potential impact that Covid-19 would have on our business as we were all treading through unprecedented times. What made it more difficult to manage was the national lock-down that the Government was forced to put in place to prevent the spread of the virus and forced closure on all businesses except for those areas where it was safe to continue operating such as construction along with sectors doing essential key work. The 'can do' approach that the group is known for, has never been tested to such a degree.

Like many our 2nd quarter figures were severely affected but that is not a fair reflection on our employees and managers efforts. During a very short period new ways of working had been rolled out with many people working from home and risk assessments completed/new safe methods of operating on site implemented. It was a sterling effort by everyone and in a very short period we were back up and trading. It was not the year we planned but our full year accounts show a reasonable profit and a growing balance sheet. Government support along with a renewed focus on reducing our exposure to slow paying insurance clients and becoming a bit firmer with debtors in general also saw us increase our cash resource from £570k to a very healthy £2.29m.

Whilst Covid-19 was the big story of 2020 we also had the added challenge of landing Vision 2020, launched in January 2018 Vision 2020 is based on four main principles.

We Are...

- Building Strong Communities
- Embracing 'Smart' Technology
- The Company to work for
- Enterprising in our approach to new development opportunities

A vision gives a business a shared purpose beyond purely financial achievements, for Gelder Group Vision 2020 was probably our most successful. Gelder Group Holdings now operates its own charity 'The Gelder Charitable Trust' and as a consequence contributes more to its local community than ever before.

Gelder Group Holdings Limited

Strategic Report

Period from 1 January 2020 to 31 December 2020

We would not have fared so well in 2020 without our heavy investment in technology or having such a loyal and hard-working workforce. Being 'enterprising' in our approach to developments has seen the group benefit from the sale of 44 properties in the period whilst securing a further 65 new plots for development with little financial investment. We also have over 100 plots in the pipeline for future developments.

Despite Brexit and Covid 19's best efforts to impede our progress, Vision 2020 is now a reality and has proved a great success that will benefit the group for years to come.

PRINCIPAL RISKS AND UNCERTAINTIES

The uncertainty of Brexit now seems to have been replaced by the uncertainty of Covid-19. Both of these are difficult challenges for businesses to navigate, however we start 2021 with a strong order book and a happy work force which coupled with our diverse mix of operations will certainly help to mitigate these risks. We feel confident that 2021 will prove to be another successful year for Gelder Group.

FORWARD BUSINESS VIEW

The Directors will continue to monitor key performance indicators and performance against approved plans adapting these as the market dictates. Main indicators include customer satisfaction levels, the number of orders received, approval rates, service levels, turnover by division and branch, gross profit margins, cash receipts, vehicle movements, critical expense monitoring and performance variances. The Directors have ensured that the Balance Sheet of the business is sufficient to support the activity levels of the business.

The Directors would like to end this review by thanking its customers and suppliers for their continued support along with all staff for their focused effort and commitment, particularly through the pandemic.

This report was approved by the board of directors on 13th May 2021 and signed on behalf of the board by:



S P Gelder MBE
CEO

Registered office:
Tillbridge Lane
Sturton by Stow
Lincoln
LN1 2D

Gelder Group Holdings Limited

Directors' Report

Year ended 31 December 2020

The directors present their report and the financial statements of the group for the year ended 31 December 2020.

Directors

The directors who served the company during the year were as follows:

S P Gelder MBE

D A Gladwin

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where the existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow the free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes. In 2012, the company was re-awarded the Gold Standard for Investors in People, for its commitment to the wellbeing of its staff.

Disclosure of information in the strategic report

Information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 the company and the profit or loss of the group for that period.

Gelder Group Holdings Limited

Directors' Report (*continued*)

Year ended 31 December 2020

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 13 May 2021 and signed on behalf of the board by:

W D Gelder
Company Secretary



Registered office:
Tillbridge Lane
Sturton by Stow
Lincoln
LN1 2BP

Gelder Group Holdings Limited

Independent Auditor's Report to the Members of Gelder Group Holdings Limited

Year ended 31 December 2020

Opinion

We have audited the financial statements of Gelder Group Holdings Limited for the year ended 31 December 2020 which comprise the statement of financial position and the related notes, 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 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Gelder Group Holdings Limited

Independent Auditor's Report to the Members of Gelder Group Holdings Limited

(continued)

Year ended 31 December 2020

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 the audit:

- the information given in 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Gelder Group Holdings Limited

Independent Auditor's Report to the Members of Gelder Group Holdings Limited

(continued)

Year ended 31 December 2020

- we have not received all the information and explanations we require for our audit; or

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement,

Gelder Group Holdings Limited

Independent Auditor's Report to the Members of Gelder Group Holdings Limited

(continued)

Year ended 31 December 2020

including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Gelder Group Holdings Limited

Independent Auditor's Report to the Members of Gelder Group Holdings Limited

(continued)

Year ended 31 December 2020

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.



ROBERT ANDERSON (Senior Statutory Auditor)

For and on behalf of
Streets Audit LLP
Chartered Accountants & statutory auditor
Tower House
Lucy Tower Street
Lincoln
LN1 1XW

14 May 2021

Gelder Group Holdings Limited

Consolidated Income Statement

Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	28,577,203	33,475,547
Cost of sales		<u>23,668,719</u>	<u>28,212,967</u>
Gross profit		4,908,484	5,262,580
Administrative expenses		5,014,371	5,060,434
Other operating income	5	<u>374,448</u>	<u>—</u>
Operating profit	6	268,561	202,146
Interest receivable	10	18	3,465
Interest payable	11	<u>114,403</u>	<u>104,330</u>
Profit before taxation		154,176	101,281
Taxation on ordinary activities	12	<u>40,885</u>	<u>20,000</u>
Profit for the financial year		<u>113,291</u>	<u>81,281</u>

All the activities of the group are from continuing operations.

The group has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 17 to 31 form part of these financial statements.

Gelder Group Holdings Limited
Consolidated Statement of Financial Position
31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	4,261,595	4,396,365
Current assets			
Stocks	16	3,120,451	3,565,993
Debtors	17	4,376,534	4,821,990
Cash at bank and in hand		2,285,510	570,007
		<u>9,782,495</u>	<u>8,957,990</u>
Creditors: amounts falling due within one year	19	<u>9,208,798</u>	<u>8,878,112</u>
Net current assets		<u>573,697</u>	<u>79,878</u>
Total assets less current liabilities		<u>4,835,292</u>	<u>4,476,243</u>
Creditors: amounts falling due after more than one year	20	1,322,082	998,487
Provisions			
Taxation including deferred tax	22	<u>11,000</u>	<u>13,837</u>
Net assets		<u>3,502,210</u>	<u>3,463,919</u>
Capital and reserves			
Called up share capital	26	5,000	5,000
Capital redemption reserve	27	122,756	122,756
Profit and loss account	27	<u>3,374,454</u>	<u>3,336,163</u>
Shareholders funds		<u>3,502,210</u>	<u>3,463,919</u>

These financial statements were approved by the board of directors and authorised for issue on 13 May 2021, and are signed on behalf of the board by:



S P GELDER MBE
Director

Company registration number: 07458632

The notes on pages 17 to 31 form part of these financial statements.

Gelder Group Holdings Limited
Company Statement of Financial Position
31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	1,502,400	1,533,680
Investments	15	<u>21,302</u>	<u>21,302</u>
		1,523,702	1,554,982
Current assets			
Debtors	17	1,092	61,124
Cash at bank and in hand		<u>13,322</u>	<u>7,660</u>
		14,414	68,784
Creditors: amounts falling due within one year	19	<u>319,459</u>	<u>310,274</u>
Net current liabilities		305,045	241,490
Total assets less current liabilities		1,218,657	1,313,492
Creditors: amounts falling due after more than one year	20	793,034	828,322
Provisions			
Taxation including deferred tax	22	<u>3,000</u>	<u>3,000</u>
Net assets		422,623	482,170
Capital and reserves			
Called up share capital	26	5,000	5,000
Profit and loss account	27	<u>417,623</u>	<u>477,170</u>
Shareholders funds		422,623	482,170

The profit for the financial year of the parent company was £15,454 (2019: £10,163 loss).

These financial statements were approved by the board of directors and authorised for issue on 13 May 2021, and are signed on behalf of the board by:



S P GELDER MBE
Director

Company registration number: 07458632

The notes on pages 17 to 31 form part of these financial statements.

Gelder Group Holdings Limited
Consolidated Statement of Changes in Equity
Year ended 31 December 2020

		Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2019		5,000	122,756	3,329,882	3,457,638
Profit for the year				81,281	81,281
Total comprehensive income for the year		—	—	81,281	81,281
Dividends paid and payable	13	—	—	(75,000)	(75,000)
Total investments by and distributions to owners		—	—	(75,000)	(75,000)
At 31 December 2019		5,000	122,756	3,336,163	3,463,919
Profit for the year				113,291	113,291
Total comprehensive income for the year		—	—	113,291	113,291
Dividends paid and payable	13	—	—	(75,000)	(75,000)
Total investments by and distributions to owners		—	—	(75,000)	(75,000)
At 31 December 2020		<u>5,000</u>	<u>122,756</u>	<u>3,374,454</u>	<u>3,502,210</u>

The notes on pages 17 to 31 form part of these financial statements.

Gelder Group Holdings Limited
Company Statement of Changes in Equity
Year ended 31 December 2020

		Called up share capital £	Profit and loss account £	Total £
At 1 January 2019		5,000	562,333	567,333
Loss for the year		—	(10,163)	(10,163)
Total comprehensive income for the year		—	(10,163)	(10,163)
Dividends paid and payable	13	—	(75,000)	(75,000)
Total investments by and distributions to owners		—	(75,000)	(75,000)
At 31 December 2019		5,000	477,169	482,169
Profit for the year		—	15,454	15,454
Total comprehensive income for the year		—	15,454	15,454
Dividends paid and payable	13	—	(75,000)	(75,000)
Total investments by and distributions to owners		—	(75,000)	(75,000)
At 31 December 2020		<u>5,000</u>	<u>417,623</u>	<u>422,623</u>

The notes on pages 17 to 31 form part of these financial statements.

Gelder Group Holdings Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the financial year		113,291	81,281
<i>Adjustments for:</i>			
Depreciation of tangible assets		309,420	401,991
Interest receivable		(18)	(3,465)
Interest payable		114,403	104,330
Loss/(gains) on disposal of tangible assets		6,960	(24,972)
Taxation on ordinary activities		40,885	20,000
Accrued expenses/(income)		86,780	(31,321)
<i>Changes in:</i>			
Stocks		445,542	142,281
Trade and other debtors		445,456	2,214,316
Trade and other creditors		1,119,763	(3,367,745)
Cash generated from operations		<u>2,682,482</u>	<u>(463,304)</u>
Interest paid		(114,403)	(104,330)
Interest received		18	3,465
Tax paid		(17,141)	(14,480)
Net cash from/(used in) operating activities		<u>2,550,956</u>	<u>(578,649)</u>
Cash flows from investing activities			
Purchase of tangible assets		(234,602)	(410,973)
Proceeds from sale of tangible assets		<u>52,992</u>	<u>276,458</u>
Net cash used in investing activities		<u>(181,610)</u>	<u>(134,515)</u>
Cash flows from financing activities			
Proceeds from borrowings		(221,901)	713,248
Payments of finance lease liabilities		(277,706)	(154,564)
Dividends paid		<u>(75,000)</u>	<u>(75,000)</u>
Net cash (used in)/from financing activities		<u>(574,607)</u>	<u>483,684</u>
Net increase/(decrease) in cash and cash equivalents		1,794,739	(229,480)
Cash and cash equivalents at beginning of year		<u>(788,702)</u>	<u>(559,222)</u>
Cash and cash equivalents at end of year	18	<u>1,006,037</u>	<u>(788,702)</u>

The notes on pages 17 to 31 form part of these financial statements.

Gelder Group Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Tillbridge Lane, Sturton by Stow, Lincoln, LN1 2BP.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective method. Gains or losses are recognised in the profit and loss accounts when liabilities are derecognised or impaired, as well as through the amortisation process.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Gelder Group Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Gelder Group Holdings Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

The directors make estimates and assumptions about the future. These estimates and assumptions impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within financial year include:

Tangible fixed assets are recognised at cost, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the company's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The recoverability of trade debtors and associated provisioning is considered on a regular basis. When calculating the debtor provision, the directors consider the age of the debts and the financial position of its customers.

The company's contracts in progress can be significant and so management are required to recognise profit as the work progresses. In order to do this management review the expected revenue and costs on a job by job basis and, once a cash inflow becomes probable, recognise the relevant profits on the basis of the stage of completion. Where a job is expected to make a loss then the full loss is immediately recognised in the profit and loss account.

Gelder Group Holdings Limited

Notes to the Financial Statements (*continued*)

Year ended 31 December 2020

3. Accounting policies (*continued*)

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

In respect of long term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Gelder Group Holdings Limited

Notes to the Financial Statements (*continued*)

Year ended 31 December 2020

3. Accounting policies (*continued*)

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% straight line
Plant & Machinery	-	14% - 33% straight line
Fixtures & Fittings	-	14% - 33% straight line
Motor Vehicles	-	14% - 33% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value.

Impairment of fixed assets

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

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

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Gelder Group Holdings Limited

Notes to the Financial Statements (*continued*)

Year ended 31 December 2020

3. Accounting policies (*continued*)

Finance leases and hire purchase contracts (*continued*)

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Turnover

Turnover arises from:

	2020 £	2019 £
Tendered contracts, design & build, repair & renovation & maintenance works.	<u>28,577,203</u>	<u>33,475,547</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Other operating income

	2020 £	2019 £
Other operating income	<u>374,448</u>	<u>—</u>

Gelder Group Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020	2019
	£	£
Depreciation of tangible assets	309,420	401,991
Loss/(gains) on disposal of tangible assets	6,960	(24,972)
Impairment of trade debtors	8,799	(11,159)
	<u>8,799</u>	<u>(11,159)</u>

7. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>20,000</u>	<u>20,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>40,828</u>	<u>27,815</u>

8. Particulars of employees

The average number of persons employed by the group during the year, including the directors, amounted to:

	2020	2019
	No.	No.
Production staff	150	192
Administrative staff	69	92
	<u>219</u>	<u>284</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019
	£	£
Wages and salaries	6,664,132	7,609,838
Social security costs	571,645	748,875
Other pension costs	198,504	175,150
	<u>7,434,281</u>	<u>8,533,863</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	132,978	120,272
Company contributions to defined contribution pension plans	–	24,990
	<u>132,978</u>	<u>145,262</u>

The directors are considered to be key management personnel.

Gelder Group Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2020

10. Interest receivable

	2020	2019
	£	£
Interest on cash and cash equivalents	–	83
Interest on bank deposits	18	3,382
	<u>18</u>	<u>3,465</u>

11. Interest payable

	2020	2019
	£	£
Interest on banks loans and overdrafts	87,018	78,901
Interest on obligations under finance leases and hire purchase contracts	22,642	25,429
Other interest payable and similar charges	4,743	–
	<u>114,403</u>	<u>104,330</u>

12. Taxation on ordinary activities

Major components of tax income

	2020	2019
	£	£
Current tax:		
UK current tax income	30,722	20,000
Adjustments in respect of prior periods	13,000	–
Total current tax	<u>43,722</u>	<u>20,000</u>
Deferred tax:		
Origination and reversal of timing differences	(2,837)	–
Taxation on ordinary activities	<u>40,885</u>	<u>20,000</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
Profit on ordinary activities before taxation	154,176	101,281
Profit on ordinary activities by rate of tax	21,525	20,310
Effect of capital allowances and depreciation	(72)	(310)
Effect of different UK tax rates on some earnings	26,000	–
Utilisation of tax losses	(6,568)	–
Tax on profit/(loss)	<u>40,885</u>	<u>20,000</u>

Gelder Group Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2020

13. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2020	2019
	£	£
Equity dividends on ordinary shares	<u>75,000</u>	<u>75,000</u>

14. Tangible assets

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2020	3,246,245	1,629,289	844,440	1,873,490	7,593,464
Additions	–	39,053	42,606	152,943	234,602
Disposals	–	(40,570)	(15,812)	(198,450)	(254,832)
At 31 December 2020	<u>3,246,245</u>	<u>1,627,772</u>	<u>871,234</u>	<u>1,827,983</u>	<u>7,573,234</u>
Depreciation					
At 1 January 2020	176,518	1,471,912	748,807	799,862	3,197,099
Charge for the year	31,280	42,111	30,876	205,153	309,420
Disposals	–	(42,454)	(15,604)	(136,822)	(194,880)
At 31 December 2020	<u>207,798</u>	<u>1,471,569</u>	<u>764,079</u>	<u>868,193</u>	<u>3,311,639</u>
Carrying amount					
At 31 December 2020	<u>3,038,447</u>	<u>156,203</u>	<u>107,155</u>	<u>959,790</u>	<u>4,261,595</u>
At 31 December 2019	<u>3,069,727</u>	<u>157,377</u>	<u>95,633</u>	<u>1,073,628</u>	<u>4,396,365</u>

Gelder Group Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

14. Tangible assets *(continued)*

Company	Freehold property £
Cost	
At 1 January 2020 and 31 December 2020	<u>1,710,198</u>
Depreciation	
At 1 January 2020	176,518
Charge for the year	<u>31,280</u>
At 31 December 2020	<u>207,798</u>
Carrying amount	
At 31 December 2020	<u>1,502,400</u>
At 31 December 2019	<u>1,533,680</u>

The net carrying amount of assets held under finance leases included in the group net book value above is £485,382 (2019 - £728,073).

Included within group freehold property is freehold land with a net book value of £1,249,529 (2019 - £1,249,529) and investment property of £1,500,000 (2019: £1,500,000) which is not subject to depreciation.

Included within company freehold property is freehold land with a net book value of £146,180 (2019 - £146,180).

15. Investments

The group has no investments.

Company	Shares in group undertaking s £
Cost	
At 1 January 2020 and 31 December 2020	<u>21,302</u>
Impairment	
At 1 January 2020 and 31 December 2020	<u>—</u>
Carrying amount	
At 1 January 2020 and 31 December 2020	<u>21,302</u>
At 31 December 2019	<u>21,302</u>

Gelder Group Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2020

15. Investments (continued)

Subsidiary audit exemptions

The below subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A of the Companies Act 2006, other than Gelder Limited.

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Gelder Limited	Ordinary shares	100
Xeric Limited	Ordinary shares	100
Gelder Investments Limited	Ordinary shares	100
Design Space Architecture Limited	Ordinary shares	100
LoveDIY Limited	Ordinary shares	100
Gainsborough Home Improvements Limited	Ordinary shares	100
Red Line Building Supplies & Services Limited	Ordinary shares	100
Gelder Homes (Ingham) Limited	Ordinary shares	100

The subsidiaries listed above all operate in similar fields being property design and build, tendered contracts, repair, renovation and maintenance work.

16. Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Raw materials	124,236	117,783	—	—
Work in progress	2,996,215	3,448,210	—	—
	<u>3,120,451</u>	<u>3,565,993</u>	<u>—</u>	<u>—</u>

Gelder Group Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2020

17. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	3,671,178	4,027,094	–	–
Amounts owed by group undertakings	–	–	–	47,661
Deferred tax asset	79,085	61,832	–	–
Prepayments and accrued income	130,018	124,756	–	–
Directors loan account	–	11,355	–	11,043
Other debtors	496,253	596,953	1,092	2,420
	<u>4,376,534</u>	<u>4,821,990</u>	<u>1,092</u>	<u>61,124</u>

Group trade debtors are stated after provisions for impairment of £111,440 (2019 - £90,310).

Group other debtors includes retentions on contracts of £365,028 (2019 - £406,378).

18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2020	2019
	£	£
Cash at bank and in hand	2,285,510	570,007
Bank overdrafts	(1,279,473)	(1,358,709)
	<u>1,006,037</u>	<u>(788,702)</u>

19. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	2,143,973	2,909,418	114,500	114,501
Trade creditors	4,511,548	4,724,239	219	1,676
Amounts owed to group undertakings	–	–	120,019	162,790
Accruals and deferred income	182,576	95,796	45,617	11,002
Corporation tax	46,072	19,491	–	–
Social security and other taxes	1,857,655	567,584	21,410	20,305
Obligations under finance leases and hire purchase contracts	175,742	330,014	–	–
Director loan accounts	17,279	–	17,694	–
Other creditors	273,953	231,570	–	–
	<u>9,208,798</u>	<u>8,878,112</u>	<u>319,459</u>	<u>310,274</u>

Gelder Group Holdings Limited

Notes to the Financial Statements (*continued*)

Year ended 31 December 2020

19. Creditors: amounts falling due within one year (*continued*)

Bank loans and overdrafts are secured by a debenture over the assets held by the group, plus a first legal charge over property owned by the group. Hire purchase agreements are secured over the assets concerned.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

20. Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	1,275,351	828,322	793,034	828,322
Obligations under finance leases and hire purchase contracts	46,731	170,165	—	—
	<u>1,322,082</u>	<u>998,487</u>	<u>793,034</u>	<u>828,322</u>

Included within creditors: amounts falling due after more than one year is an amount of £683,385 (2019: £460,210) for the group and £424,922 (2019: £460,210) for the company in respect of liabilities payable or repayable by installments which fall due for payment after more than five years from the reporting date.

Bank loans and overdrafts are secured by a debenture over the assets held by the group, plus a first legal charge over property owned by the group. Hire purchase agreements are secured over the assets concerned.

21. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	175,742	330,014	—	—
Later than 1 year and not later than 5 years	46,731	170,165	—	—
	<u>222,473</u>	<u>500,179</u>	<u>—</u>	<u>—</u>

Gelder Group Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2020

22. Provisions

Group	Deferred tax (note 23) £
At 1 January 2020	13,837
Charge against provision	(2,837)
At 31 December 2020	<u>11,000</u>
Company	Deferred tax (note 23) £
At 1 January 2020	3,000
At 31 December 2020	<u>3,000</u>

23. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Included in debtors (note 17)	79,085	61,832	—	—
Included in provisions (note 22)	<u>(11,000)</u>	<u>(13,837)</u>	<u>(3,000)</u>	<u>(3,000)</u>
	<u>68,085</u>	<u>47,995</u>	<u>(3,000)</u>	<u>(3,000)</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Accelerated capital allowances	(96,999)	(38,765)	3,000	3,000
Unused tax losses	<u>(27,840)</u>	<u>(9,230)</u>	<u>—</u>	<u>—</u>
	<u>(124,839)</u>	<u>(47,995)</u>	<u>3,000</u>	<u>3,000</u>

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £198,504 (2019: £175,150).

Gelder Group Holdings Limited

Notes to the Financial Statements (*continued*)

Year ended 31 December 2020

25. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

	Group	
	2020	2019
	£	£
Financial assets that are debt instruments measured at amortised cost	<u>3,641,797</u>	<u>4,237,919</u>

Financial liabilities measured at amortised cost

	Group	
	2020	2019
	£	£
Financial liabilities measured at amortised cost	<u>10,509,169</u>	<u>9,876,599</u>

26. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

27. Reserves

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

28. Analysis of changes in net debt

	At 1 Jan 2020	Cash flows	At 31 Dec 2020
	£	£	£
Cash at bank and in hand	570,007	1,715,503	2,285,510
Bank overdrafts	(1,358,709)	79,236	(1,279,473)
Debt due within one year	(1,880,723)	823,202	(1,057,521)
Debt due after one year	(998,487)	(323,595)	(1,322,082)
	<u>(3,667,912)</u>	<u>2,294,346</u>	<u>(1,373,566)</u>

Gelder Group Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

29. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2020			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
S P Gelder MBE	<u>11,355</u>	<u>41,866</u>	<u>(70,500)</u>	<u>(17,279)</u>

	2019			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
S P Gelder MBE	<u>20,751</u>	<u>61,104</u>	<u>(70,500)</u>	<u>11,355</u>

30. Related party transactions

Group

As per the company related party transactions and balances between group entities which are eliminated on consolidation are not disclosed under the exemption available in FRS 102. No further transactions with related parties arose, such as those required to be disclosed under Financial Reporting Standard 102.

Company

Related party transactions and balances between group entities which are eliminated on consolidation are not disclosed under the exemption available in FRS 102. No further transactions with related parties arose, such as those required to be disclosed under Financial Reporting Standard 102.

31. Controlling party

The ultimate controlling party is S P Gelder MBE due to his majority shareholding in Gelder Group Holdings Limited.