

**Strategic Report,
Report of the Directors and
Financial Statements
FOR THE PERIOD
1 April 2021 to 31 August 2022
for
OTIUM SERVICES AND FACILITIES LIMITED**

**Contents of the Financial Statements
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Directors' Responsibilities Statement	6
Report of the Independent Auditors	7
Income Statement	11
Other Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Cash Flow Statement	15
Notes to the Cash Flow Statement	16
Notes to the Financial Statements	18

OTIUM SERVICES AND FACILITIES LIMITED

Company Information
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

DIRECTORS:

R L Spence
P R Rafferty
M Robertson
T J Fifield

REGISTERED OFFICE:

Unit C2A Comet Studios
De Havilland Court
Penn Street
Amersham
Buckinghamshire
HP7 0PX

REGISTERED NUMBER:

09260561 (England and Wales)

AUDITORS:

Howards Limited
Chartered Certified Accountants
Statutory Auditors
Newport House
Newport Road
Stafford
Staffordshire
ST16 1DA

**Strategic Report
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022**

The directors present their strategic report for the period 1 April 2021 to 31 August 2022.

REVIEW OF BUSINESS

The results for the year and the financial position of company are shown in the annexed financial statements. The principal activity of the company continues to be commercial contract cleaning throughout the United Kingdom. Most of our contracts continue to be concentrated in our core area of expertise, which is gyms, and nurseries, with a particular focus on the national chains. We do have some smaller clients outside of our main focus areas however these represent an insignificant part of the overall revenue for the financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

Customer and credit risk

The company supplies a range of markets and customers in order to avoid reliance on a single customer and the associated risks. The company uses credit insurance with agreed credit limits to minimise its exposure to credit risk.

Supplier and product risk

The company uses a relatively small number of suppliers in order to maintain a reliable supply of products in the quantities required. There are a large number of suppliers available to minimise the risk of product supply.

Liquidity risk

The company forecasts its future cash flows on a daily basis and ensures it has sufficient reserves and facilities to meet all its obligations. The business finances its operations through a mixture of existing working capital, secured bank borrowings and against trade debtors and directors loans.

Interest rate risk

The company maintains close relationships with its bankers and finance providers in order to ensure the interest rate risk is managed effectively.

EMPLOYEES

The company has continued to give full and fair consideration to applications made by persons of all diversities, having regard to their respective aptitudes and abilities, and to ensure that they benefit from training and career development programmes in common with all employees. The company has continued its policy of employee involvement by making information available to employees through the medium of frequent staff meetings, together with personal appraisals and feedback sessions.

PAYMENT OF CREDITORS

The company does not follow any published code or statement on payment practice. However, it is the company's policy to settle all amounts due to its creditors on a timely basis, taking into account the credit terms by each supplier.

Strategic Report

FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

LIKELY FUTURE DEVELOPMENTS

Otium Services and Facilities expects to continue its recovery from the effects of the COVID-19 pandemic, which had a dramatic affect on this industry.

There has been significant expense for ourselves and our customers to prepare for any future issues in this area, this is in training, cleaning techniques and premises.

During the period the company has increased its gross profit margin by improving performance.

The company continues to look for more customers and is expanding outside of its core market to reduce future risk.

With the company's expanse into medical area cleaning, day nursery cleaning and other educational sites it feels more protected from any future lockdown scenarios.

The new chairman and director of operations have now had time to implement the changes that were required and have seen dramatic increases in performance. The new finance director and accounts director have now taken full control of the finance team and have implemented their required changes, which both of these changes have driven the company forward in these areas.

KEY PERFORMANCE INDICATORS

At Otium Facilities and Services we recognise that we can only deliver excellent standards of service to our clients by having a successful, sustainable and dynamic company.

To enable this, we use two Key Performance Indicators; Revenue and Net Profit. Both of these KPI's have been achieved.

Due to the gym closures comparing period ending 2022 to 2021 is not of use so the directors have chosen to compare a pro rata period to August 2022 (17 month period) to year end March 2020.

Turnover has increased by 13% from £17,922,255 to £20,308,924 (£28,770,975 for entire period). Net profit has increased by 1% from £480,889 to £486,430 (£689,109 for entire period).

Net profit is especially pleasing due to the cost and time of implementing so many operational and managerial changes.

We are exceptionally proud of our commercial performance, especially when combined with our excellent front line services levels.

ON BEHALF OF THE BOARD:

M Robertson - Director

21 June 2023

**Report of the Directors
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022**

The directors present their report with the financial statements of the company for the period 1 April 2021 to 31 August 2022.

DIVIDENDS

No dividends will be distributed for the period to 31 August 2022 (2021: £373,527 of dividends were voted on 6th April 2020 based on the results to 31 March 2020).

DIRECTORS

R L Spence has held office during the whole of the period from 1 April 2021 to the date of this report.

Other changes in directors holding office are as follows:

M Goodwin - resigned 27 April 2022
J W Gressier - resigned 27 April 2022
Mrs E Gressier - resigned 19 August 2022
P R Rafferty - appointed 27 April 2022
M Robertson - appointed 27 April 2022
T J Fifield - appointed 22 August 2022

RESULTS REVIEW

The company's key performance numbers within the period were (17 month period to 2022):

Year	2022	2021
Turnover	28,770,975	7,477,552
Gross Profit	3,867,393	(6,498,266)
Net Assets	311,221	(369,317)

The company aims to continue to grow its client base organically, while expanding into additional target areas.

The company has the structure in place and operational scope to grow in these target areas.

ENGAGEMENT WITH EMPLOYEES

The Company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the company has continued through the Company's website and interactive employee applications. Regular meetings are held between local management and employees to allow free flow of information and ideas. Employees participate directly in the success of the business through bonus mechanisms.

DISABLED EMPLOYEES

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. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

STREAMLINED ENERGY AND CARBON REPORTING

The Company is subject to report greenhouse gas ("GHG") emissions and energy usage in the Directors' Report in line with the Companies (Directors' Report) and the Limited Liability Partnerships (Energy and Carbon) Regulations 2018.

Methodology

Report of the Directors

FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

The Company is committed to specific environmental-based targets, including using sustainable paper products, electric vehicles and efficient route planning. All of these creating a reducing carbon emissions over the next five years.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Howards Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M Robertson - Director

21 June 2023

**Directors' Responsibilities Statement
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022**

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

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standards 102 as adopted for use in the UK and Republic of Ireland. The financial statements are required by law to 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of corporate and financial information on the company's website.

Report of the Independent Auditors to the Members of Otium Services And Facilities Limited

Opinion

We have audited the financial statements of Otium Services And Facilities Limited (the 'company') for the period ended 31 August 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 and of its profit for the period 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 Auditors' 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Report of the Directors and the Directors' Responsibilities Statement, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of Otium Services And Facilities Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have 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 the Report of the Directors.

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 set out on page six, 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 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.

Report of the Independent Auditors to the Members of Otium Services And Facilities Limited

Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, Companies Act 2006 & the Health and Safety act 1974.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to doubtful debt provisions, inventory valuations & depreciation methods.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Performing a verification of key assets.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the company board minutes, correspondence with solicitors, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Otium Services And Facilities Limited**

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 a Report of the Auditors 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.

Mr Matthew Adam Bailey (Senior Statutory Auditor)
for and on behalf of Howards Limited
Chartered Certified Accountants
Statutory Auditors
Newport House
Newport Road
Stafford
Staffordshire
ST16 1DA

21 June 2023

OTIUM SERVICES AND FACILITIES LIMITED (REGISTERED NUMBER: 09260561)

Income Statement

FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

	Notes	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
TURNOVER	3	28,770,975	7,477,552
Cost of sales		<u>24,903,582</u>	<u>13,975,818</u>
GROSS PROFIT/(LOSS)		3,867,393	(6,498,266)
Administrative expenses		<u>3,451,780</u> 415,613	<u>1,577,078</u> (8,075,344)
Other operating income		<u>318,357</u>	<u>7,335,285</u>
OPERATING PROFIT/(LOSS)	5	733,970	(740,059)
Interest receivable and similar income		<u>-</u> 733,970	<u>3,530</u> (736,529)
Interest payable and similar expenses	6	<u>44,861</u>	<u>17,032</u>
PROFIT/(LOSS) BEFORE TAXATION		689,109	(753,561)
Tax on profit/(loss)	7	<u>8,571</u>	<u>(143,822)</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		<u>680,538</u>	<u>(609,739)</u>

The notes form part of these financial statements

OTIUM SERVICES AND FACILITIES LIMITED (REGISTERED NUMBER: 09260561)

Other Comprehensive Income

FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

	Notes	Period 1/4/21 to 31/8/22 £	<i>Year ended 31/3/21 £</i>
PROFIT/(LOSS) FOR THE PERIOD		680,538	<i>(609,739)</i>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>680,538</u>	<u><i>(609,739)</i></u>

The notes form part of these financial statements

OTIUM SERVICES AND FACILITIES LIMITED (REGISTERED NUMBER: 09260561)

Balance Sheet
31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	9		423,220		402,247
CURRENT ASSETS					
Stocks	10	201,616		122,200	
Debtors	11	3,621,577		1,870,308	
Cash at bank		<u>671,053</u>		<u>126,833</u>	
		4,494,246		2,119,341	
CREDITORS					
Amounts falling due within one year	12	<u>4,132,681</u>		<u>2,854,985</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>361,565</u>		<u>(735,644)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			784,785		(333,397)
CREDITORS					
Amounts falling due after more than one year	13		(400,000)		-
PROVISIONS FOR LIABILITIES	17		<u>(73,564)</u>		<u>(35,920)</u>
NET ASSETS/(LIABILITIES)			<u>311,221</u>		<u>(369,317)</u>
CAPITAL AND RESERVES					
Called up share capital	18		1,350		1,350
Share premium	19		249,650		249,650
Retained earnings	19		<u>60,221</u>		<u>(620,317)</u>
SHAREHOLDERS' FUNDS			<u>311,221</u>		<u>(369,317)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 June 2023 and were signed on its behalf by:

M Robertson - Director

The notes form part of these financial statements

OTIUM SERVICES AND FACILITIES LIMITED (REGISTERED NUMBER: 09260561)

**Statement of Changes in Equity
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2020	1,350	362,949	249,650	613,949
Changes in equity				
Dividends	-	(373,527)	-	(373,527)
Total comprehensive income	-	(609,739)	-	(609,739)
Balance at 31 March 2021	1,350	(620,317)	249,650	(369,317)
Changes in equity				
Total comprehensive income	-	680,538	-	680,538
Balance at 31 August 2022	1,350	60,221	249,650	311,221

The notes form part of these financial statements

Cash Flow Statement

FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

	Notes	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
Cash flows from operating activities			
Cash generated from operations	1	524,281	(7,319,429)
Interest paid		(44,861)	(16,578)
Interest element of hire purchase or finance lease rental payments paid		-	(454)
Tax paid		(102,173)	70,729
Net cash from operating activities		<u>377,247</u>	<u>(7,265,732)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(106,858)	(401,329)
Grants received		318,357	7,335,285
Interest received		-	3,530
Net cash from investing activities		<u>211,499</u>	<u>6,937,486</u>
Cash flows from financing activities			
New loans in year		145,914	383,158
Capital repayments in year		-	(1,526)
Amount withdrawn by directors		(190,440)	-
Equity dividends paid		-	(373,527)
Net cash from financing activities		<u>(44,526)</u>	<u>8,105</u>
Increase/(decrease) in cash and cash equivalents		<u>544,220</u>	<u>(320,141)</u>
Cash and cash equivalents at beginning of period	2	<u>126,833</u>	<u>446,974</u>
Cash and cash equivalents at end of period	2	<u>671,053</u>	<u>126,833</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
Profit/(loss) before taxation	689,109	(753,561)
Depreciation charges	85,886	83,077
Government grants	(318,357)	(7,335,285)
Finance costs	44,861	17,032
Finance income	-	(3,530)
	<u>501,499</u>	<u>(7,992,267)</u>
Increase in stocks	(79,416)	(32,793)
(Increase)/decrease in trade and other debtors	(1,458,656)	459,607
Increase in trade and other creditors	<u>1,560,854</u>	<u>246,024</u>
Cash generated from operations	<u><u>524,281</u></u>	<u><u>(7,319,429)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 August 2022

	31/8/22 £	1/4/21 £
Cash and cash equivalents	<u>671,053</u>	<u>126,833</u>

Year ended 31 March 2021

	31/3/21 £	1/4/20 £
Cash and cash equivalents	<u>126,833</u>	<u>446,974</u>

**Notes to the Cash Flow Statement
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022**

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1/4/21 £	Cash flow £	At 31/8/22 £
Net cash			
Cash at bank	<u>126,833</u>	<u>544,220</u>	<u>671,053</u>
	<u>126,833</u>	<u>544,220</u>	<u>671,053</u>
Debt			
Debts falling due within 1 year	(383,158)	283,158	(100,000)
Debts falling due after 1 year	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>
	<u>(383,158)</u>	<u>(116,842)</u>	<u>(500,000)</u>
Total	<u>(256,325)</u>	<u>427,378</u>	<u>171,053</u>

**Notes to the Financial Statements
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022**

1. STATUTORY INFORMATION

Otium Services and Facilities Ltd is a private company, limited by shares, registered in England and Wales.

Registered Office:
Unit C2A Comet Studios
De Havilland Court, Penn Street
Amersham
Buckinghamshire
HP7 0PX

Registered number: 09260561

Head Office:
Unit C2A Comet Studios
De Havilland Court, Penn Street
Amersham
Buckinghamshire
HP7 0PX

The presentation currency of the financial statements is the Pound Sterling (£)

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102"), the financial reporting standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Judgements in applying accounting policies and key sources of uncertainty

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

Turnover

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

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.

Notes to the Financial Statements - continued
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

In determining estimated residual values and depreciation rates on vehicles, management considers many factors, including used car market conditions, anticipated holding periods, fleet mix, buyback guarantees and historic experience. Management regularly monitors residual values and the need, if any, to adjust depreciation rates.

The annual depreciation and amortisation charge on tangible fixed assets, goodwill and tangible assets are sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values of the assets are amended when necessary to reflect current estimates.

Depreciation is provided on the following basis:

- Plant and machinery - 1 - 3 years of usage
- Motor vehicles - 3 years of ownership
- Fixtures and fittings - 3 years of ownership
- Office equipment - 1 - 3 years of ownership

Government grants

In fiscal 2020, the United Kingdom ("UK") government formed the Coronavirus Job Retention Scheme ("JRS"), which allows for a business to submit claims for repayment of furlough or flexible furlough employee wages as a result of COVID-19. The Company submitted claims to the JRS and received support that is included in other operating income in the Income Statement.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

Stocks

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

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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Notes to the Financial Statements - continued
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Notes to the Financial Statements - continued
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

3. **TURNOVER**

The turnover and profit (2021 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
Services	28,770,975	7,477,552
	<u>28,770,975</u>	<u>7,477,552</u>

An analysis of turnover by geographical market is given below:

	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
United Kingdom	28,770,975	7,477,552
	<u>28,770,975</u>	<u>7,477,552</u>

4. **EMPLOYEES AND DIRECTORS**

	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
Wages and salaries	21,554,149	13,216,510
Social security costs	932,770	508,614
Other pension costs	221,533	150,714
	<u>22,708,452</u>	<u>13,875,838</u>

The average number of employees during the period was as follows:

	Period 1/4/21 to 31/8/22	Year ended 31/3/21
Management	40	45
Operations	<u>1,361</u>	<u>1,423</u>
	<u>1,401</u>	<u>1,468</u>

Notes to the Financial Statements - continued
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

4. EMPLOYEES AND DIRECTORS - continued

	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
Directors' remuneration	<u>73,060</u>	<u>26,643</u>

5. OPERATING PROFIT/(LOSS)

The operating profit (2021 - operating loss) is stated after charging:

	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
Hire of plant and machinery	158,113	55,384
Depreciation - owned assets	85,885	83,077
Auditors' remuneration	<u>12,000</u>	<u>13,750</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
Bank interest	10,747	4,296
Invoice finance costs	34,114	10,689
Other interest payable	-	1,593
Hire purchase	-	454
	<u>44,861</u>	<u>17,032</u>

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the period was as follows:

	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
Current tax:		
UK corporation tax	-	(171,301)
Deferred tax	8,571	27,479
Tax on profit/(loss)	<u>8,571</u>	<u>(143,822)</u>

Notes to the Financial Statements - continued
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

7. TAXATION - continued

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
Profit/(loss) before tax	<u>689,109</u>	<u>(753,561)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	130,931	(143,177)
Effects of:		
Expenses not deductible for tax purposes	3,098	479
Capital allowances in excess of depreciation	-	(1,124)
Depreciation in excess of capital allowances	3,525	-
Utilisation of tax losses	(32,159)	-
Research and development enhanced expenditure	<u>(96,824)</u>	<u>-</u>
Total tax charge/(credit)	<u>8,571</u>	<u>(143,822)</u>

8. DIVIDENDS

	Period 1/4/21 to 31/8/22 £	Year ended 31/3/21 £
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>373,527</u>

Notes to the Financial Statements - continued
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2021	925,829	6,422	86,849	66,321	1,085,421
Additions	95,906	-	-	10,952	106,858
At 31 August 2022	<u>1,021,735</u>	<u>6,422</u>	<u>86,849</u>	<u>77,273</u>	<u>1,192,279</u>
DEPRECIATION					
At 1 April 2021	545,283	6,182	77,103	54,606	683,174
Charge for period	71,468	240	2,436	11,741	85,885
At 31 August 2022	<u>616,751</u>	<u>6,422</u>	<u>79,539</u>	<u>66,347</u>	<u>769,059</u>
NET BOOK VALUE					
At 31 August 2022	<u>404,984</u>	<u>-</u>	<u>7,310</u>	<u>10,926</u>	<u>423,220</u>
At 31 March 2021	<u>380,546</u>	<u>240</u>	<u>9,746</u>	<u>11,715</u>	<u>402,247</u>

10. STOCKS

	2022 £	2021 £
Stocks	<u>201,616</u>	<u>122,200</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	3,085,323	721,484
Other debtors	167,222	186,582
Grants receivable	-	877,828
Directors' current accounts	190,440	-
Tax	102,173	-
Prepayments and accrued income	<u>76,419</u>	<u>84,414</u>
	<u>3,621,577</u>	<u>1,870,308</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts (see note 14)	100,000	383,158
Trade creditors	1,478,285	175,728
Social security and other taxes	248,151	951,554
VAT	1,507,402	-
Other creditors	720,188	1,061,196
Accruals and deferred income	<u>78,655</u>	<u>283,349</u>
	<u>4,132,681</u>	<u>2,854,985</u>

Notes to the Financial Statements - continued
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022 £	2021 £
Bank loans (see note 14)	<u>400,000</u>	<u>-</u>

14. **LOANS**

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year or on demand:		
Bank loans	<u>100,000</u>	<u>383,158</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>400,000</u>	<u>-</u>

15. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	16,800	36,616
Between one and five years	<u>16,800</u>	<u>26,785</u>
	<u>33,600</u>	<u>63,401</u>

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	500,000	383,158
Invoice financing	<u>1,104,093</u>	<u>-</u>
	<u>1,604,093</u>	<u>383,158</u>

These loans are secured by way of a fixed and floating charge over the assets of the company.

17. **PROVISIONS FOR LIABILITIES**

	2022 £	2021 £
Deferred tax		
Accelerated capital allowances	<u>73,564</u>	<u>35,920</u>

Notes to the Financial Statements - continued
FOR THE PERIOD 1 APRIL 2021 TO 31 AUGUST 2022

17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 April 2021	35,920
Provided during period	<u>37,644</u>
Balance at 31 August 2022	<u>73,564</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2022 £ <u>1,350</u>	2021 £ <u>1,350</u>
1,350	Ordinary			

19. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2021	(620,317)	249,650	(370,667)
Profit for the period	<u>680,538</u>		<u>680,538</u>
At 31 August 2022	<u>60,221</u>	<u>249,650</u>	<u>309,871</u>

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the period ended 31 August 2022 and the year ended 31 March 2021:

	2022 £	2021 £
R L Spence		
Balance outstanding at start of period	104,831	346,540
Amounts advanced	85,609	-
Amounts repaid	-	(241,709)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>190,440</u>	<u>104,831</u>

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