REGISTERED NUMBER: 11138569 (England and Wales)

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

FOR

PIMLICO GROUP LIMITED

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FOR THE YEAR ENDED 31 MAY 2021

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COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2021

DIRECTORS:	S C Mullins OBE S C Mullins
REGISTERED OFFICE:	1 Sail Street London SE11 6NQ
REGISTERED NUMBER:	11138569 (England and Wales)
AUDITORS:	KBSP Partners LLP Chartered Accountants Statutory Auditors Harben House Harben Parade Finchley Road LONDON NW3 6LH

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2021

The directors present their strategic report of the company and the group for the year ended 31 May 2021.

REVIEW OF BUSINESS
These accounts consolidate Pimlico Group Limited together with its wholly owned subsidiaries Pimlico Plumbers Limited and Pimlico Holdco Limited. After consolidation adjustments, the only significant trading entity in the group is Pimlico Plumbers Limited.

During the year under review the group saw a return to the steady growth in turnover that it had experienced prior to the outbreak of Covid-19 and has achieved its best ever revenue numbers.

The group as a provider of essential services continued to operate through the lockdown periods. Whilst it noticed some discretionary projects were delayed by customers during lockdown, post lockdown these projects were returned to and by the year-end the group had returned to its usual mix of emergency and planned projects.

During the year under review the group confirmed its arrangement with Lombard Vehicle Leasing to replace 104 vehicles, this plan was rolled out substantially in the year and completed shortly thereafter.

The profit for the year after taxation amounted to £4,901,328 (2020: £3,858,267). The results are shown on page nine. The directors consider the results and the position at the year end to be satisfactory.

KEY PERFORMANCE INDICATORS
Turnover increased by £5,890,767 when compared to 2020 representing a 13.6% increase. It is noted that during the first lockdown period (March 2020 -June 2020), turnover decreased by approximately £2 million when compared to 2019, it then recovered such that by August 2020 the group was continuing to grow year on year.

Gross profit to sales percentage increased to 39.4% from 38.8% achieved in 2020, this being driven by increased efficiencies.

Pre tax profits increased by £1,261,265 over those achieved in 2020 driven by the increase in turnover.

PRINCIPAL RISKS AND UNCERTAINTIES
The group continues to plan to mitigate risks inherent in the business arising from normal trading and the current economic climate and health and safety issues.

The risks facing the group are assessed on an ongoing basis. The directors evaluate the likelihood and potential impact of risks and ensure appropriate action is taken to mitigate them. The key risk and mitigating factors are:

COVID-19
The group has continued to trade throughout the various lockdown periods as a provider of essential services. This is in accordance with government guidance. Should government guidance change materially it could have a significant impact on the group's ability to continue to trade.

MARKET RISK
The market is very competitive. The group competes with a number of competitors of varying size in areas including price, range, quality and service. Failure to compete effectively in any of these areas could have an adverse impact on financial results; the group mitigates its exposure by ensuring that the business is differentiated from the competition by the quality of its service and its customer care.

ON BEHALF OF THE BOARD:

S C Mullins - Director

14 September 2021

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2021.

PRINCIPAL ACTIVITIES
The group's principal activities during the year continued to be that of plumbing, heating, electrical, roofing and general property maintenance.

DIVIDENDS
No interim dividend was paid during the year. The group paid final dividends during the year as follows:

First final dividend	£80	- 31 August 2020
Second final dividend	£80	- 30 November 2020
Third final dividend	£80	- 28 February 2021
Fourth final dividend	£80	- 31 May 2021
	£320	

The total distribution of dividends for the year ended 31 May 2021 was £3,200,000.

FUTURE DEVELOPMENTS
The directors aim to maintain the management policies which have resulted in the group's growth and profitability in recent years. In the coming year they expect the group to increase its sales and profitability.

EVENTS SINCE THE YEAR END
Post year end S C Mullins OBE, the ultimate controlling party, entered into a contract to sell his shareholding in Pimlico Group Limited to a third party. The contract is due to complete soon after the date of the audit report. The expectation is that the group will continue to expand under the new ownership.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 June 2020 to the date of this report.

S C Mullins OBE
S C Mullins

FINANCIAL INSTRUMENTS
The group's principal financial instruments comprise bank balances, debtors and creditors and as a result, there is exposure to liquidity, cash flow risks, and credit risks. The group regularly reviews amounts owed to creditors to make sure that cash is available to make all payments as and when they fall due. The group periodically monitors amounts due from debtors to ensure these are recovered as soon as possible. These steps helps to mitigate liquidity, cash flow and credit risks.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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

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 group'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 group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

S C Mullins - Director

14 September 2021

Opinion
We have audited the financial statements of Pimlico Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2021 which comprise the Consolidated profit and loss account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent company affairs as at 31 May 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's and the parent 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 Group Strategic Report and the Report of the Directors, 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.

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 Group 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 Group 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

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:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The following laws and regulations were identified as being of significance to the entity:
- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include health and safety legislation and gas safety rules.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

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.

Michael Marks FCA (Senior Statutory Auditor)
for and on behalf of KBSP Partners LLP
Chartered Accountants
Statutory Auditors
Harben House
Harben Parade
Finchley Road
LONDON
NW3 6LH

15 September 2021

CONSOLIDATED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2021

	Notes	2021 £	2020 £
TURNOVER	4	**49,170,600**	43,279,833
Cost of sales		**29,793,546**	26,478,648
GROSS PROFIT		**19,377,054**	16,801,185
Administrative expenses		**13,202,825**	12,042,564
		6,174,229	4,758,621
Other operating income	5	**192,047**	248,450
OPERATING PROFIT	7	**6,366,276**	5,007,071
Interest receivable and similar income		**200**	4,009
		6,366,476	5,011,080
Interest payable and similar expenses	8	**152,556**	58,425
PROFIT BEFORE TAXATION		**6,213,920**	4,952,655
Tax on profit	9	**1,312,592**	1,094,388
PROFIT FOR THE FINANCIAL YEAR		**4,901,328**	3,858,267
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,901,328**	3,858,267
Profit attributable to:			
Owners of the parent		**4,901,328**	3,858,267
Total comprehensive income attributable to:			
Owners of the parent		**4,901,328**	3,858,267

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MAY 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Intangible assets	12		**139,808**		183,600
Tangible assets	13		**2,402,205**		1,525,327
Investments	14		**-**		-
			2,542,013		1,708,927
CURRENT ASSETS					
Stocks	15	**16,000**		16,000	
Debtors	16	**11,517,059**		9,776,461	
Cash at bank and in hand		**2,802,390**		1,354,157	
		14,335,449		11,146,618	
CREDITORS					
Amounts falling due within one year	17	**7,387,658**		6,413,536	
NET CURRENT ASSETS			**6,947,791**		4,733,082
TOTAL ASSETS LESS CURRENT LIABILITIES			**9,489,804**		6,442,009
CREDITORS					
Amounts falling due after more than one year	18		**(1,907,683)**		(642,379)
PROVISIONS FOR LIABILITIES	21		**(163,595)**		(82,432)
NET ASSETS			**7,418,526**		5,717,198
CAPITAL AND RESERVES					
Called up share capital	22		**5,000**		5,000
Retained earnings	23		**7,413,526**		5,712,198
SHAREHOLDERS' FUNDS			**7,418,526**		5,717,198

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2021 and were signed on its behalf by:

S C Mullins - Director

PIMLICO GROUP LIMITED (REGISTERED NUMBER: 11138569)

COMPANY BALANCE SHEET
31 MAY 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	12	**-**	-
Tangible assets	13	**-**	-
Investments	14	**10,000**	10,000
		10,000	10,000
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,000**	10,000
CAPITAL AND RESERVES			
Called up share capital	22	**5,000**	5,000
Retained earnings	23	**5,000**	5,000
SHAREHOLDERS' FUNDS		**10,000**	10,000
Company's profit for the financial year		**3,200,000**	3,500,000

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2021 and were signed on its behalf by:

S C Mullins - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 June 2019	5,000	5,353,931	5,358,931
Changes in equity			
Dividends	-	(3,500,000)	(3,500,000)
Total comprehensive income	-	3,858,267	3,858,267
Balance at 31 May 2020	5,000	5,712,198	5,717,198
Changes in equity			
Dividends	-	(3,200,000)	(3,200,000)
Total comprehensive income	-	4,901,328	4,901,328
Balance at 31 May 2021	5,000	7,413,526	7,418,526

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 June 2019	5,000	5,000	10,000
Changes in equity			
Dividends	-	(3,500,000)	(3,500,000)
Total comprehensive income	-	3,500,000	3,500,000
Balance at 31 May 2020	5,000	5,000	10,000
Changes in equity			
Dividends	-	(3,200,000)	(3,200,000)
Total comprehensive income	-	3,200,000	3,200,000
Balance at 31 May 2021	5,000	5,000	10,000

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	32	**8,588,706**	4,410,985
Interest paid		**(34,927)**	(2,155)
Interest element of finance lease payments paid		**(117,629)**	(56,270)
Tax paid		**(1,571,768)**	(873,444)
Net cash from operating activities		**6,864,382**	3,479,116
Cash flows from investing activities			
Purchase of intangible fixed assets		**(13,883)**	(104,194)
Purchase of tangible fixed assets		**(2,218,367)**	(132,115)
Sale of tangible fixed assets		**61,400**	25,935
Interest received		**200**	4,009
Net cash from investing activities		**(2,170,650)**	(206,365)
Cash flows from financing activities			
New finance lease loans		**2,100,060**	578,887
Capital repayments in year		**(497,832)**	(131,118)
Amount introduced by directors		**4,072,904**	3,799,021
Amount withdrawn by directors		**(5,720,631)**	(2,667,339)
Equity dividends paid		**(3,200,000)**	(3,500,000)
Net cash from financing activities		**(3,245,499)**	(1,920,549)
Increase in cash and cash equivalents		**1,448,233**	1,352,202
Cash and cash equivalents at beginning of year	33	**1,354,157**	1,955
Cash and cash equivalents at end of year	33	**2,802,390**	1,354,157

The notes form part of these financial statements

1. STATUTORY INFORMATION

Pimlico Group Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention.

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.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Financial Reporting Standard 102 - reduced disclosure exemptions
The company has taken advantage of the disclosure exemption available to qualifying entities not to prepare an individual company Statement of Cash Flows, as permitted by FRS 102.

Basis of consolidation
The group was formed in January 2018 as a result of a business combination that falls within the criteria of a group reconstruction as specified in Part 1 of Schedule 6 of Statutory Instrument 2008/410 and FRS 102, which requires the consolidated accounts to be prepared in accordance with the principles of merger accounting.

These accounts consolidate the accounts of Pimlico Group Limited and its subsidiaries Pimlico Plumbers Limited and Pimlico Holdco Limited.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which gives it control of the financial and operating policies of the entity it accounts for that as a subsidiary.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern
The group meets its day-to-day working capital requirements through careful management of working capital positions. After reviewing cash flow forecasts, profit and loss forecasts, and making necessary enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

continued...

3. **ACCOUNTING POLICIES - continued**

Significant judgements and estimates
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i) Critical judgement in applying the group's accounting policies
There are no judgements in applying the group's accounting policies that have a significant risk of causing a material misstatement to the financial statements.

ii) Critical accounting estimates and assumptions
The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful economic lives of tangible and intangible assets
The annual depreciation charge for tangible assets and annual amortisation charge for intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and, where applicable, the physical condition of the assets.

(b) Taxation
The group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities.

Turnover
Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied and services rendered, net of returns, discounts and rebates allowed by the group and value added tax.

Turnover recognition: -

Supply of goods - turnover is recognised when the goods are supplied or supplied and fitted which represents the time at which the significant risks and rewards of ownership have been transferred to the customer.

Supply of services - turnover is recognised in the period in which the services are rendered in accordance with the stage of completion of the transaction, as determined on a straight line basis, where the outcome of the transaction can be measured reliably.

Intangible fixed assets
Intangible fixed assets comprise cherished vehicle registration number plates and computer software. Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives as follows:

Cherished number plates - 10 years
Computer software - 2 years

Amortisation is charged to administrative expenses in the profit and loss account.

Where factors, such as technological change or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

continued...

3. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful economic life as follows:-

Leasehold improvements - 25% straight line
Plant and machinery - 25% straight line
Fixtures and fittings - 25% straight line
Motor vehicles - 25% straight line

Depreciation is charged to administrative expenses in the profit and loss account.

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

Stocks
Stocks are valued at the lower of cost and estimated selling price less costs of completion and sale.

Taxation
Taxation expense for the year comprises current tax recognised in the reporting period. Tax is recognised in the Consolidated profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is recognised at the amount of tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

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 year 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.

continued...

3. **ACCOUNTING POLICIES - continued**

Financial instruments
The group only enters into basic financial instruments 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 non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors
Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transactions price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Creditors
Basic financial liabilities, including trade and other creditors and loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at present value of the future receipts discounted at a market rate of interest. Such instruments are subsequently carried at amortised cost, using the effective interest method.

Cash and cash equivalents
Cash includes cash in hand and deposits held with banks. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Employee benefits
The group provides a range of benefits to its directors and eligible employees as explained below:

(i) Short term benefits
Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans
The group makes contributions to money purchase pension schemes for the benefit of its employees. Once the contributions have been paid, the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the schemes are held separately from the group in independently administered funds.

Dividends
Final equity dividends are recognised when declared and paid.

continued...

3. ACCOUNTING POLICIES - continued

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as deduction, net of tax, from the proceeds.

Leased assets
At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Finance leased assets
Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

(ii) Operating leased assets
Leases that do no transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Contingent liabilities
Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events no wholly within the group's control. Contingent liabilities are not recognised but are disclosed in the accounts, unless the probability of an outflow of resources is remote in which case no disclosure is made.

Government grants
During the Coronavirus pandemic, the group utilised the government support scheme Coronavirus Job Retention Scheme (CJRS). Income under this scheme is classified as a government grant and accounted for on an accruals basis, and recognised in the profit and loss account in the period in which the associated costs for which grants are intended to compensate are incurred. The grant income is reported as "Other operating income" in the consolidated profit and loss account.

4. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

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

	2021	2020
	£	£
Supply of goods and materials	**9,179,162**	8,179,937
Supply of services	**39,991,438**	35,099,896
	49,170,600	43,279,833

The turnover generated by the group, both by source and destination, all relates to the United Kingdom.

5. OTHER OPERATING INCOME

Included in other operating income is government grants received totalling £151,844 (2020: £242,533) relating to the Coronavirus Job Retention Scheme.

continued...

6. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	5,865,045	5,510,469
Social security costs	587,683	816,890
Other pension costs	119,915	133,247
	6,572,643	6,460,606

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

	2021	2020
Directors	2	2
Administration	70	94
Operations	106	87
	178	183

The average number of employees during the year for the parent company was Nil (2020: Nil).

	2021	2020
	£	£
Directors' remuneration	904,940	920,850
Directors' pension contributions to money purchase schemes	5,933	6,245

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	740,938	763,261
Pension contributions to money purchase schemes	5,933	6,245

7. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	1,341,489	1,143,946
Profit on disposal of fixed assets	(61,400)	(1,308)
Cherished number plates amortisation	26,425	28,784
Computer software amortisation	31,250	31,250
Auditors' remuneration	33,500	30,000
Amounts paid under operating leases	1,356,285	1,335,195

Included in auditors' remuneration above is £5,500 (2020: £5,000) relating to the audit of these consolidated financial statements.

continued...

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Interest on late corporation tax payment	**32,980**	-
Other interest payable	**1,947**	2,155
Finance leases	**117,629**	56,270
	152,556	58,425

9. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	**1,231,429**	1,011,956
Deferred tax	**81,163**	82,432
Tax on profit	**1,312,592**	1,094,388

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	**6,213,920**	4,952,655
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	**1,180,645**	941,004
Effects of:		
Expenses not deductible for tax purposes	**64,224**	765
Income not taxable for tax purposes	**(11,667)**	(249)
Effect of difference between capital allowances and depreciation	**(1,773)**	70,436
Deferred tax	**81,163**	82,432
Total tax charge	**1,312,592**	1,094,388

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the balance sheet date.

The standard rate of Corporation Tax in the UK is 19% which is expected to increase to 25% from 1 April 2023 for profits over £250,000.

10. INDIVIDUAL PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Profit and loss account of the parent company is not presented as part of these financial statements.

11. DIVIDENDS

	2021	2020
	£	£
Ordinary shares of £1 each		
Final	**3,200,000**	3,500,000

continued...

12. INTANGIBLE FIXED ASSETS

Group

	Cherished number plates £	Computer software £	Totals £
COST			
At 1 June 2020	662,390	62,500	724,890
Additions	13,883	-	13,883
Disposals	(25,105)	-	(25,105)
At 31 May 2021	651,168	62,500	713,668
AMORTISATION			
At 1 June 2020	510,040	31,250	541,290
Amortisation for year	26,425	31,250	57,675
Eliminated on disposal	(25,105)	-	(25,105)
At 31 May 2021	511,360	62,500	573,860
NET BOOK VALUE			
At 31 May 2021	139,808	-	139,808
At 31 May 2020	152,350	31,250	183,600

13. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 June 2020	825,920	907,799	573,891	3,779,752	6,087,362
Additions	52,154	-	18,210	2,148,003	2,218,367
Disposals	-	-	-	(1,746,202)	(1,746,202)
At 31 May 2021	878,074	907,799	592,101	4,181,553	6,559,527
DEPRECIATION					
At 1 June 2020	462,096	725,159	294,196	3,080,584	4,562,035
Charge for year	188,978	126,211	148,025	878,275	1,341,489
Eliminated on disposal	-	-	-	(1,746,202)	(1,746,202)
At 31 May 2021	651,074	851,370	442,221	2,212,657	4,157,322
NET BOOK VALUE					
At 31 May 2021	227,000	56,429	149,880	1,968,896	2,402,205
At 31 May 2020	363,824	182,640	279,695	699,168	1,525,327

Leasehold improvements above are included within security on a loan on behalf of a company under common control.

The net book value of motor vehicles subject to a finance lease is £1,884,424 (2020: £577,943), and the depreciation charge on these assets for the year is £793,578.

continued...

14. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 June 2020 and 31 May 2021	**10,000**
NET BOOK VALUE	
At 31 May 2021	**10,000**
At 31 May 2020	10,000

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Pimlico Plumbers Limited
Registered office: 1 Sail Street, London, SE11 6 NQ, UK
Nature of business: Plumbing and heating services

Class of shares:	% holding
Ordinary	100.00

Pimlico Holdco Limited
Registered office: 1 Sail Street, London, SE11 6NQ, UK
Nature of business: Holding company

Class of shares:	% holding
Ordinary	100.00

The above subsidiaries are included in the consolidated financial statements.

15. STOCKS

	Group	
	2021	2020
	£	£
Raw materials and consumables	**10,000**	10,000
Finished goods and goods for resale	**6,000**	6,000
	16,000	16,000

continued...

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2021	2020
	£	£
Trade debtors	**122,407**	67,381
Other debtors	**3,183,250**	3,268,013
Directors' loan accounts	**6,759,806**	5,112,079
Corporation tax repayable	**1,217,594**	1,217,594
Prepayments and accrued income	**234,002**	111,394
	11,517,059	9,776,461

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2021	2020
	£	£
Finance leases (see note 19)	**629,729**	292,805
Trade creditors	**814,545**	1,120,888
Corporation tax payable	**1,231,430**	1,571,769
Social security and other taxes	**729,689**	634,434
VAT	**1,845,587**	1,144,834
Other creditors	**510,665**	570,192
Accruals and deferred income	**1,626,013**	1,078,614
	7,387,658	6,413,536

The VAT balance includes the remaining VAT liability for the quarter ended 28 February 2020 of £463,943 which was deferred as permitted by the Government's deferred VAT scheme. Under the Government's VAT Deferral New Payment Scheme, this outstanding balance is being repaid by monthly instalments between June 2021 and January 2022.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2021	2020
	£	£
Finance leases (see note 19)	**1,907,683**	642,379

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Finance leases	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	**629,729**	292,805
Between one and five years	**1,907,683**	642,379
	2,537,412	935,184

continued...

19. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	**1,250,169**	912,140
Between one and five years	**3,508,424**	1,701,437
In more than five years	**392,303**	-
	5,150,896	2,613,577

The group entered into a fleet replacement plan with Lombard Leasing in the prior year in respect of 104 vehicles. Eight vehicles were acquired in previous year, a further 84 vehicles were acquired during the current year, and 12 vehicles remained undelivered at the year end which were subsequently purchased post year end.

All leases have a primary rental period at the end of which the company can make a balloon payment or return the vehicle.

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2021	2020
	£	£
Finance leases	**2,537,412**	935,184

The finance leases creditor is secured on the motor vehicles to which it relates.

21. PROVISIONS FOR LIABILITIES

	Group	
	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	**163,595**	82,432

Group

	Deferred tax
	£
Balance at 1 June 2020	**82,432**
Charge to profit and loss account during year	**81,163**
Balance at 31 May 2021	**163,595**

The above provisions for liabilities relate to timing differences.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2021**	2020
			£	£
5,000	Ordinary	£1	**5,000**	5,000

continued...

23. RESERVES

Group

	Retained earnings £
At 1 June 2020	**5,712,198**
Profit for the year	**4,901,328**
Dividends	**(3,200,000)**
At 31 May 2021	**7,413,526**

Company

	Retained earnings £
At 1 June 2020	**5,000**
Profit for the year	**3,200,000**
Dividends	**(3,200,000)**
At 31 May 2021	**5,000**

24. PENSION COMMITMENTS

The group contributes to money purchase pension schemes for the benefit of its employees. The assets of the schemes are administered by trustees in funds independent from those of the group. The pension cost represents contributions payable by the group and amounted to £119,915 (2020: £133,247). At the year end accrued pension costs totalled £23,738 (2020: £22,143).

25. ULTIMATE PARENT COMPANY

With reference to the events since the year end note in the report of the directors, S C Mullins OBE has entered into a contract to sell his shareholding in Pimlico Group Limited. The contract is expected to complete soon after the date of the audit report at which point the immediate parent company of the group will be Neighbourly Brands Limited, a company incorporated in England and Wales, and the ultimate parent company is expected to be Neighborly Company, a company incorporated in the USA.

26. CONTINGENT LIABILITIES

As detailed in previous annual accounts a former engineer has brought a claim against the trading company within the group for disability discrimination. The Employment Tribunal found in the company's favour and against the claimant on both the hearing and the subsequent appeal. The claimant is now appealing against a previous decision with respect to unpaid holiday pay. Should he be successful, which the company doubts, a sum of between £25,000 and £75,000 could be payable.

27. CAPITAL COMMITMENTS

	2021 £	2020 £
Contracted but not provided for in the financial statements	**301,950**	1,040,970

The above capital commitment is the cost of 12 motor vehicles the group had committed to purchase as at the year end. The purchase of these vehicles post year end was financed under an agreed leasing facility with Lombard Leasing.

continued...

28. OTHER FINANCIAL COMMITMENTS

The group has provided a guarantee and debenture to National Westminster Bank PLC in relation to the bank loan of a company under common control. At the year end the secured debt was £5.17 million (2020: £5.43 million).

29. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 May 2021 and 31 May 2020:

	2021	2020
	£	£
S C Mullins OBE		
Balance outstanding at start of year	**5,112,079**	6,243,761
Amounts advanced	**5,110,100**	2,667,344
Amounts repaid	**(3,545,143)**	(3,799,026)
Amounts written off	**-**	-
Amounts waived	**-**	-
Balance outstanding at end of year	**6,677,036**	5,112,079
S C Mullins		
Balance outstanding at start of year	**-**	-
Amounts advanced	**610,530**	-
Amounts repaid	**(527,761)**	-
Amounts written off	**-**	-
Amounts waived	**-**	-
Balance outstanding at end of year	**82,769**	-

Amounts advanced to directors bear no interest and are repayable on demand. The directors' overdrawn loan accounts are expected to be fully repaid in September 2021.

During the year the group made a number of advances to the director SC Mullins OBE in excess of £10,000, the total of which was £4,001,622. Additional details of these payments are provided below: -

Advances £10,000 - £19,99953
advances totalling £762,778

Advances £20,000 - £29,99918
advances totalling £420,274

Advances £30,000 - £39,99910
advances totalling £317,200

Advances £40,000 - £49,9998
advances totalling £350,715

Advances £50,000 - £59,9991
advance totalling £53,626

Advances £60,000 - £69,9991
advance totalling £60,000

Advances £100,000 - £109,9993
advances totalling £300,000

Advances £110,000 - £199,9995
advances totalling £637,029

Advances £200,000 - £499,9993
advances totalling £600,000

Advances £500,000 and over1
advance totalling £500,000

During the year the group also made a number of advances to the director SC Mullins in excess of £10,000, the total of which was £352,522. Additional details of these payments are provided below: -

Advances £10,000 - £19,9994
advances totalling £51,661

Advances £50,000 - £59,9991
advance totalling £52,278

Advances £110,000 - £199,9992
advances totalling £248,583

30. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

continued...

30. RELATED PARTY DISCLOSURES - continued

Other related parties

	2021	2020
	£	£
Sales	**155,739**	130,456
Cost of sales and administrative expenses	**695,379**	1,002,081
Wages and salaries	**297,227**	226,614
Amount due from related parties	**1,602,207**	3,035,829
Amount due to related parties	**126,383**	177,940

Other related parties include a company under common control and a company controlled by a close family member of a director.

31. ULTIMATE CONTROLLING PARTY

As at the year end, the ultimate controlling party was S C Mullins OBE by virtue of his controlling interest in Pimlico Group Limited. As stated in the events since the year end note in the report of the directors, S C Mullins OBE has entered into a contract to sell his shareholding in Pimlico Group Limited. The contract is expected to complete soon after the date of the audit report, at which point it is expected that there will be no overall controlling party.

32. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit before taxation	**6,213,920**	4,952,655
Depreciation charges	**1,399,163**	1,203,980
Profit on disposal of fixed assets	**(61,400)**	(1,308)
Finance costs	**152,556**	58,425
Finance income	**(200)**	(4,009)
	7,704,039	6,209,743
Increase in trade and other debtors	**(92,870)**	(1,476,245)
Increase/(decrease) in trade and other creditors	**977,537**	(322,513)
Cash generated from operations	**8,588,706**	4,410,985

33. 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:

Year ended 31 May 2021

	31.5.21	**1.6.20**
	£	**£**
Cash and cash equivalents	**2,802,390**	**1,354,157**

Year ended 31 May 2020

	31.5.20	1.6.19
	£	£
Cash and cash equivalents	1,354,157	376,300
Bank overdrafts	-	(374,345)
	1,354,157	1,955

continued...

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

	At 1.6.20	Cash flow	Other non-cash changes	At 31.5.21
	£	£	£	£
Net cash				
Cash at bank and in hand	1,354,157	1,448,233		2,802,390
	1,354,157	1,448,233		2,802,390
Debt				
Finance leases	(935,184)	(1,602,228)	(2,100,060)	(2,537,412)
	(935,184)	(1,602,228)	(2,100,060)	(2,537,412)
Total	418,973	(153,995)	(2,100,060)	264,978