Company Registration No. 03589492 (England and Wales)

QUICK MOVE NOW LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2020

QUICK MOVE NOW LIMITED

COMPANY INFORMATION

Directors	Mrs C Luke Mr D G Luke Mr J H Luke Mr R D Luke Mr A H Luke
Secretary	Mr A H Luke
Company number	03589492
Registered office	15, Interface Business Park Bincknoll Lane Royal Wootton Bassett Swindon United Kingdom SN4 8SY
Auditor	Azets Audit Services Pillar House 113-115 Bath Road Cheltenham Gloucestershire United Kingdom GL53 7LS

QUICK MOVE NOW LIMITED

CONTENTS

QUICK MOVE NOW LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2020

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

Fair review of the business
We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

Principal risks and uncertainties
Our cautious approach to the market post-Brexit was somewhat eclipsed by the Covid pandemic (see below). Our primary risk remains the liquidity of UK housing regions and this risk has only been exacerbated by politically-constrained interest rates and stamp duty (SDLT) holidays. It is impossible to foresee how the market will respond as these measures are relaxed.

However, our business has always thrived during periods of enhanced uncertainty. We maintain broad geographic, price and house type diversification to help mitigate these risks. We also maintain strong cash flow management to ensure future outflows are matched with expected inflows, with limited commitments beyond the 'pipeline visibility'.

<u>COVID-19</u>
The year end 30 November 2020 has been deeply affected by the Covid-19 pandemic with the housing market virtually closed down for the normally productive 'Spring' months of March, April and May. The directors acted rapidly and un-committed purchases were suspended from March. Efforts have been concentrated on selling existing inventory to avoid the risk of any potential future house price collapse. We have been successful in significantly de-risking the business so our exposure to legacy valuations has fallen significantly from the £7.5m of stock pre-virus to £1,960,856 at year end. These actions have helped secure the future of the business and reduce the risk of any potential future price crash to a manageable level. We now have the flexibility and risk profile to help an increasing number of home sellers and we will look to rebuild our pipeline in a measured way to reflect the ongoing risks.

The financial effects of the pandemic are reflected in these accounts but will continue to impact the results for 2021 as the low stock levels and gradual build up in inventory work through the business. Despite this we see significant opportunities ahead and we remain confident we have the business model to restore the company to historic and even enhanced performance and profitability going forward.

Development and performance
Our principal business activity for the period under review was the buying and selling of residential property in the United Kingdom. We consider our key financial performance indicators to be turnover and gross margin.

	2020	2019
Turnover	£16.9m	£34.9m
Gross Margin	10.1%	11.6%

The pandemic provided a difficult market backdrop to our operations in 2020 and we believe the turnover and profit levels in the year were a satisfactory outcome. In particular the strengthening cash position, especially relative to our competitors puts us in a strong position to manage the threats and opportunities that lie ahead. The directors continue to manage the business prudently against a volatile and uncertain backdrop.

We have retained and enhanced our operational resources, putting us in an enviable position to judiciously exploit opportunities as market conditions normalise.

On behalf of the board

....
Mr D G Luke
Director
Date: 06/07/2021

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2020

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

Principal activities
The principal activity of the company in the year under review was that of the provision of residential property acquisition and resale and related property services.

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

Mrs C Luke
Mr D G Luke
Mr J H Luke
Mr R D Luke
Mr A H Luke

Results and dividends
The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £1,250,000. Refer to the dividends note for the amount of final dividend proposed by the directors after the balance sheet date in respect of year end 30 November 2020.

Auditor
On 7th September 2020, Group Audit Services Limited (trading as Baldwins Audit Services) changed its name to Azets Audit Services Limited. The name it practices under is Azets Audit Services and, accordingly, it has signed the Report of the Independent Auditors in its new name.

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

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

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

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

Disclosure in the strategic report
The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the 'Review of Business' and 'Development and Performance' of the company for the year.

QUICK MOVE NOW LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

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

On behalf of the board

....
Mr D G Luke
Director

Date: 06/07/2021

QUICK MOVE NOW LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF QUICK MOVE NOW LIMITED

Opinion

We have audited the financial statements of Quick Move Now Limited (the 'company') for the year ended 30 November 2020 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2020 and of its 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF QUICK MOVE NOW LIMITED

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report
This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work, for this report, or for the opinions we have formed.

Robert Hull (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

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Pillar House
113-115 Bath Road
Cheltenham
Gloucestershire
United Kingdom
GL53 7LS

QUICK MOVE NOW LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	16,949,198	34,978,623
Cost of sales		(15,235,391)	(30,916,362)
Gross profit		1,713,807	4,062,261
Administrative expenses		(1,686,189)	(2,156,673)
Other operating income		147,969	156,934
Operating profit	4	175,587	2,062,522
Interest receivable and similar income	7	383	314
Interest payable and similar expenses	8	(100,485)	(163,344)
Profit before taxation		75,485	1,899,492
Tax on profit	9	(60,701)	(320,136)
Profit for the financial year		14,784	1,579,356
Retained earnings brought forward		7,025,915	5,446,559
Dividends	10	(1,250,000)	-
Retained earnings carried forward		5,790,699	7,025,915

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

QUICK MOVE NOW LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	**11**		84,596		56,098
Current assets					
Stocks	**12**	1,960,856		6,491,407	
Debtors	**13**	116,636		595,733	
Cash at bank and in hand		4,851,213		2,505,799	
		6,928,705		9,592,939	
Creditors: amounts falling due within one year	**14**	(1,206,602)		(2,622,122)	
Net current assets			5,722,103		6,970,817
Total assets less current liabilities			5,806,699		7,026,915
Provisions for liabilities	**16**		(15,000)		-
Net assets			5,791,699		7,026,915
Capital and reserves					
Called up share capital	**18**		1,000		1,000
Profit and loss reserves	**20**		5,790,699		7,025,915
Total equity			5,791,699		7,026,915

The financial statements were approved by the board of directors and authorised for issue on 06/07/2021 and are signed on its behalf by:

....

Mr D G Luke
Director

Company Registration No. 03589492

1 Accounting policies

Company information

Quick Move Now Limited is a private company limited by shares incorporated in England and Wales. The registered office is 15, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, United Kingdom, SN4 8SY.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents income receivable from the sale of land and property, and services arising from other property related activities during the period. Turnover on the sale of property is recognised on exchange of contract.

1.4 Tangible fixed assets

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

1 Accounting policies **(Continued)**

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

Fixtures and fittings	- 33% - 50% on cost
Motor vehicles	- 15% on cost

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

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell. Stock cost represents the costs incurred in respect of the acquisition of land and property. Cost includes all expenditure in respect of an acquisition, including initial expenditure in assessing the viability of a property transaction, together with costs incurred in bringing the property to its present condition. Property purchase price will have been determined at the outset with reference to independent valuations. Where it is likely that the initial speculative costs will not then result in the final acquisition of the property, these costs are recognised in profit or loss.

1.7 Cash at bank and in hand

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

1 Accounting policies **(Continued)**

1.8 Financial instruments

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

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

Current tax

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

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1 Accounting policies **(Continued)**

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

The turnover and profit before taxation are attributable to the principal activity of the company.

Turnover represents the amounts receivable during the year. All sales are in the United Kingdom.

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	**2020** **£**	**2019** **£**
Government grants	(147,969)	-
Fees payable to the company's auditor for the audit of the company's financial statements	14,960	14,850
Depreciation of owned tangible fixed assets	16,198	13,568
Operating lease charges	43,690	45,797

Other operating income includes amounts of £147,969 received during the year in relation to the Coronavirus Job Retention Scheme.

5 Employees

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

	2020 Number	2019 Number
Directors	5	5
Sales and administration	16	18
Total	21	23

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	855,628	921,855
Social security costs	99,341	102,795
Pension costs	11,913	24,719
	966,882	1,049,369

Unpaid pension costs amounting to £Nil (2019: £55,432) were outstanding at the year end and are included within other creditors and accruals.

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	460,491	417,291
Company pension contributions to defined contribution schemes	-	4,000
	460,491	421,291

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2019 - 4).

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

	2020 £	2019 £
Remuneration for qualifying services	137,315	123,124
Company pension contributions to defined contribution schemes	-	1,000

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	383	314

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	49,798	109,870
Interest payable to group undertakings	50,027	53,474
Interest on late corporation tax payments	660	-
	100,485	163,344

9 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	-	320,000
Adjustments in respect of prior periods	45,701	136
Total current tax	45,701	320,136
Deferred tax		
Origination and reversal of timing differences	15,000	-
Total tax charge	60,701	320,136

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

	2020	2019
	£	£
Profit before taxation	75,485	1,899,492
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	14,342	360,903
Tax effect of expenses that are not deductible in determining taxable profit	149	445
Adjustments in respect of prior years	45,701	-
Other adjustments including change in rate	509	(41,212)
Taxation charge for the year	60,701	320,136

9 Taxation (Continued)

Factors that may affect future tax charges
A rate of 19% has been used for purposes of considering the effect of deferred taxation. While an increase in the main rate of Corporation Tax to 25% is proposed to take effect from 1 April 2023, this was not substantively enacted at the balance sheet date.

10 Dividends

	2020	2019
	£	£
Interim paid	1,250,000	-

The final dividend proposed on Ordinary Shares after the balance sheet date amounted to £1,000,000 (2019: £1,250,000).

11 Tangible fixed assets

	Fixtures and fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 December 2019	36,771	65,816	102,587
Additions	1,856	42,840	44,696
At 30 November 2020	38,627	108,656	147,283
Depreciation and impairment			
At 1 December 2019	19,340	27,149	46,489
Depreciation charged in the year	5,790	10,408	16,198
At 30 November 2020	25,130	37,557	62,687
Carrying amount			
At 30 November 2020	13,497	71,099	84,596
At 30 November 2019	17,431	38,667	56,098

Tangible fixed assets are pledged as security for the bank borrowings under a fixed and floating charge.

12 Stocks

	2020	2019
	£	£
Property inventory	1,873,500	6,147,250
Associated costs	87,356	344,157
	1,960,856	6,491,407

12 Stocks

Stock are pledged as security for the bank borrowings under a fixed and floating charge.

13 Debtors

	2020	2019
Amounts falling due within one year:	**£**	**£**
Other debtors	93,962	405,720
Prepayments and accrued income	22,674	190,013
	116,636	595,733

Debtors are pledged as security for the bank borrowings under a fixed and floating charge.

14 Creditors: amounts falling due within one year

		2020	2019
	Notes	**£**	**£**
Bank loans	**15**	-	1,000,000
Trade creditors		94,147	88,554
Amounts owed to group undertakings		1,050,027	1,050,000
Corporation tax		-	184,625
Other taxation and social security		15,995	28,717
Other creditors		542	-
Accruals and deferred income		45,891	270,226
		1,206,602	2,622,122

Interest is charged at 5.0% (2019: 5.0%) per annum on amounts owed to group undertakings. These balances are unsecured, have no fixed repayment date and are repayable on demand.

15 Loans and overdrafts

	2020	2019
	£	**£**
Bank loans	-	1,000,000
Payable within one year	-	1,000,000

Interest is charged at LIBOR + 2.15% on bank loans.

Bank loans and overdrafts are secured by way of a fixed and floating charge in favour of the bank over the company's assets and undertakings.

Bank loans and overdrafts are also secured by a multilateral guarantee given in favour of the bank by certain group companies. A debenture is held giving a fixed and floating charge over the assets of certain group companies in favour of the bank.

16 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	17	15,000	-

17 Deferred taxation

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

Balances:	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	15,000	-

Movements in the year:	2020 £
Liability at 1 December 2019	-
Charge to profit or loss	15,000
Liability at 30 November 2020	15,000

18 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
600 Ordinary A of £1 each	600	600
400 Ordinary B of £1 each	400	400
	1,000	1,000

Called-up share capital represents the nominal value of shares that have been issued.

"A" Ordinary shares and "B" Ordinary shares rank pari passu and are each entitled to one vote in any circumstances; pari passu to dividend payments or any distribution; and pari passu to participate in a distribution; arising from a winding up of the company.

19 Controlling Parties

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Linc Capital Limited, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the consolidated financial statements of Linc Capital Limited can be obtained from 15 Interface Business Park, Bincknoll Lane, Royal Wootton Basset, Swindon, Wiltshire, SN4 8SY.

20 Profit and loss reserves

	2020	2019
	£	£
At the beginning of the year	7,025,915	5,446,559
Profit for the year	14,784	1,579,356
Dividends declared and paid in the year	(1,250,000)	-
At the end of the year	5,790,699	7,025,915

Retained earnings include all current and prior period profits and losses.

21 Financial commitments, guarantees and contingent liabilities

The company is part of a multilateral guarantee in favour of the bank involving certain group companies. At 30th November 2020 the maximum extent of this guarantee amounted to £Nil (2019: £Nil).

22 Operating lease commitments

Lessee

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

	2020	2019
	£	£
Within one year	45,000	45,000
Between two and five years	33,750	78,750
	78,750	123,750

23 Capital commitments

There were no capital commitments at 30th November 2020 (2019: £Nil).

24 Related party transactions

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.

25 Directors' transactions

During the prior year, an amount totalling £30,000 was loaned equally to 3 directors. This balance was unsecured with no fixed repayment date and no interest was charged. The balance was repaid in full in the period ended 30 November 2019.

26 Ultimate controlling party

The immediate and ultimate parent company is Linc Capital Limited, a company incorporated and registered in England and Wales.