

Company Registration No. 09580508 (England and Wales)

PSSG GROUP LTD
CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

PSSG GROUP LTD

COMPANY INFORMATION

Director	Mr Michael Rust
Company number	09580508
Registered office	249 Cranbrook Road Ilford Essex IG1 4TG
Auditor	Xeinadin Audit Ltd 12 Conqueror Court Sittingbourne Kent ME10 5BH

PSSG GROUP LTD

CONTENTS

	Page
Strategic report	1
Director's report	2
Director's responsibilities statement	3
Independent auditor's report	4 - 6
Income statement	7
Group statement of comprehensive income	8
Group statement of financial position	9
Company statement of financial position	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Company statement of cash flows	14
Notes to the financial statements	15 - 32

PSSG GROUP LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The director presents the strategic report for the year ended 31 March 2022.

Fair review of the business

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth of the subsidiaries in the foreseeable future.

Development and performance

The company's goals to build up growing, successful business for its subsidiaries recognised as valuable and reliable. The company director is confident of increased turnover and profitability in the future.

Key performance indicators

The management team follow a continuous review of the performance of the company's subsidiaries through monthly senior management meetings. Action plans are developed and reviewed on an ongoing basis. The key risks are principally the competitiveness of the UK market. Sales opportunities are continually evaluated to the current market and economic climate.

On behalf of the board

Mr Michael Rust

Director

21 December 2022

PSSG GROUP LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The director presents his annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company continued to be that of a non-trading holding company.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £170,000. The director does not recommend payment of a further dividend.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr Michael Rust

Auditor

Xeinadin Audit Ltd is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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 auditor of the company and group 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 auditor of the company and group is aware of that information.

On behalf of the board

Mr Michael Rust

Director

21 December 2022

PSSG GROUP LTD

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

PSSG GROUP LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PSSG GROUP LTD

Opinion

We have audited the financial statements of PSSG Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group income statement, the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 March 2022 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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.

PSSG GROUP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PSSG GROUP LTD

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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing 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 director either intends to liquidate the parent company or to cease operations, or has 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.

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

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
 - Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
 - Reviewing minutes of meetings of those charged with governance.
 - Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
 - Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- ICAEW guidance relating to reporting on irregularities, November 2020, based on ISA 700 A39-1 to A39-5

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

PSSG GROUP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PSSG GROUP LTD

Use of our report

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

Barry Leibovitch (Senior Statutory Auditor)
For and on behalf of Xeinadin Audit Ltd

21 December 2022

Statutory Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

PSSG GROUP LTD

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Revenue	3	52,796,078	44,943,365
Cost of sales		(44,459,786)	(37,815,899)
Gross profit		8,336,292	7,127,466
Administrative expenses		(7,352,703)	(6,043,291)
Other operating income		39,943	10,753
Operating profit	5	1,023,532	1,094,928
Investment income	8	2,479	32,398
Finance costs	9	(45,915)	(19,260)
Profit before taxation		980,096	1,108,066
Tax on profit	10	(287,455)	556,674
Profit for the financial year		692,641	1,664,740

Profit for the financial year is all attributable to the owner of the parent company.

The income statement has been prepared on the basis that all operations are continuing operations.

PSSG GROUP LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Profit for the year	692,641	1,664,740
Other comprehensive income	-	-
Total comprehensive income for the year	<u>692,641</u>	<u>1,664,740</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

PSSG GROUP LTD

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Non-current assets					
Goodwill	12		5,228		42,302
Property, plant and equipment	13		534,258		353,389
			<u>539,486</u>		<u>395,691</u>
Current assets					
Inventories	16	105,000		84,000	
Trade and other receivables	17	16,505,171		12,756,481	
Cash and cash equivalents		1,958,541		2,181,926	
		<u>18,568,712</u>		<u>15,022,407</u>	
Current liabilities	18	(10,695,144)		(7,697,284)	
Net current assets			<u>7,873,568</u>		<u>7,325,123</u>
Total assets less current liabilities			<u>8,413,054</u>		<u>7,720,814</u>
Non-current liabilities	19		(101,954)		-
Provisions for liabilities					
Deferred tax liability	21	127,943		65,946	
		<u>(127,943)</u>		<u>(65,946)</u>	
Net assets			<u><u>8,183,157</u></u>		<u><u>7,654,868</u></u>
Equity					
Called up share capital	23		71		71
Other reserves			(1,605,346)		(1,610,994)
Retained earnings			9,788,432		9,265,791
Total equity			<u><u>8,183,157</u></u>		<u><u>7,654,868</u></u>

The financial statements were approved and signed by the director and authorised for issue on 21 December 2022

Mr Michael Rust
Director

PSSG GROUP LTD

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

		2022	2021
	Notes	£	£
Non-current assets			
Investments	14	8,865,334	8,075,351
Current assets			
Trade and other receivables	17	308,635	457,934
Current liabilities	18	(483,882)	(491,608)
Net current liabilities		(175,247)	(33,674)
Net assets		8,690,087	8,041,677
Equity			
Called up share capital	23	71	71
Other reserves		2,395,273	2,395,273
Retained earnings		6,294,743	5,646,333
Total equity		8,690,087	8,041,677

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £818,410 (2021 - £1,784,219 profit).

The financial statements were approved and signed by the director and authorised for issue on 21 December 2022

Mr Michael Rust
Director

Company Registration No. 09580508

PSSG GROUP LTD

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Other reserves £	Retained earnings £	Total £
Balance at 1 April 2020		71	(681,182)	7,687,051	7,005,940
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	1,664,740	1,664,740
Dividends	11	-	-	(86,000)	(86,000)
Other movements		-	(929,812)	-	(929,812)
Balance at 31 March 2021		71	(1,610,994)	9,265,791	7,654,868
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	692,641	692,641
Dividends	11	-	-	(170,000)	(170,000)
Other movements		-	5,648	-	5,648
Balance at 31 March 2022		71	(1,605,346)	9,788,432	8,183,157

PSSG GROUP LTD

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Other reserves £	Retained earnings £	Total £
Balance at 1 April 2020		71	2,395,273	3,948,114	6,343,458
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	1,784,219	1,784,219
Dividends	11	-	-	(86,000)	(86,000)
Balance at 31 March 2021		71	2,395,273	5,646,333	8,041,677
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	818,410	818,410
Dividends	11	-	-	(170,000)	(170,000)
Balance at 31 March 2022		71	2,395,273	6,294,743	8,690,087

PSSG GROUP LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	26	278,116	1,064,321
Interest paid		(45,915)	(19,260)
Income taxes (paid)/refunded		(61,990)	714,222
Net cash inflow from operating activities		170,211	1,759,283
Investing activities			
Purchase of intangible assets		-	(817,484)
Proceeds on disposal of intangibles	(1)	-	-
Purchase of property, plant and equipment	(301,568)	(162,070)	
Receipts arising from loans made	(139,315)	62,501	
Interest received	2,479	32,398	
Net cash used in investing activities		(438,405)	(884,655)
Financing activities			
Repayment of bank loans	41,845	-	
Payment of finance leases obligations	131,274	-	
Dividends paid to equity shareholders	(170,000)	(86,000)	
Net cash generated from/(used in) financing activities		3,119	(86,000)
Net (decrease)/increase in cash and cash equivalents		(265,075)	788,628
Cash and cash equivalents at beginning of year		2,181,926	1,505,872
Effect of foreign exchange rates		41,690	(112,574)
Cash and cash equivalents at end of year		1,958,541	2,181,926

PSSG GROUP LTD

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Investing activities					
Proceeds on disposal of intangibles	(1)	-		-	
Proceeds on disposal of subsidiaries	(789,983)			(912,913)	
Proceeds on disposal of investments	789,984			912,913	
Dividends received	170,000			86,000	
		<u>170,000</u>		<u>86,000</u>	
Net cash generated from investing activities			170,000		86,000
Financing activities					
Dividends paid to equity shareholders	(170,000)			(86,000)	
		<u>(170,000)</u>		<u>(86,000)</u>	
Net cash used in financing activities			(170,000)		(86,000)
Net increase in cash and cash equivalents			-		-
Cash and cash equivalents at beginning of year			-		-
			<u>-</u>		<u>-</u>
Cash and cash equivalents at end of year			<u>-</u>		<u>-</u>

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

PSSG Group Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of PSSG Group Ltd and all of its subsidiaries.

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.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company PSSG Group Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Guarding UK Limited and Property Support Services (UK) Limited have been included in the group financial statements using the purchase method of accounting. Accordingly, the group income statement and statement of cash flows include the results and cash flows of Guarding UK Limited and Property Support Services (UK) Limited. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

The group income statement and statement of cash flows also include the results and cash flows of Guarding UK Limited and Property Support Services (UK) Limited.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

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

1.5 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Plant and equipment	25% Reducing balance
Fixtures and fittings	25% Reducing balance
Computers	Straight line over 3 years
Motor vehicles	25% Reducing balance

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 recognised in the income statement.

1.8 Non-current investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.10 Inventories

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

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

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

1.11 Cash and cash equivalents

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.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 trade and other receivables 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.

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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 group 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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 payables 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 payables 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.

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.13 Equity instruments

Equity instruments issued by the group 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 group.

1.14 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.15 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 income statement 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 income statement, 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 if, and only if, there is 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.

1.16 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 non-current 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.

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.17 Retirement benefits

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

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 leased asset are consumed.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is 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 Revenue

An analysis of the group's revenue is as follows:

	2022	2021
	£	£
Revenue analysed by class of business		
Provision of security guards	29,845,363	27,860,777
Commercial cleaning services	22,124,512	12,755,268
Coronavirus job retention scheme grant	826,203	4,327,320
	<u>52,796,078</u>	<u>44,943,365</u>

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3	Revenue	(Continued)	
		2022	2021
		£	£
	Other revenue		
	Interest income	2,479	32,398
		<u> </u>	<u> </u>
		2022	2021
		£	£
	Revenue analysed by geographical market		
	United Kingdom	52,599,059	44,708,370
	Dubai	16,729	21,488
	Spain	4,129	16,846
	Belgium	942	58,439
	The Republic of Ireland	125,391	83,593
	Holland	47,276	50,459
	Others	2,552	4,170
		<u> </u>	<u> </u>
		<u>52,796,078</u>	<u>44,943,365</u>
4	Exceptional item	2022	2021
		£	£
	Income		
	Exceptional item - coronavirus job retention scheme grant	826,203	4,327,320
		<u> </u>	<u> </u>
		<u>826,203</u>	<u>4,327,320</u>
5	Operating profit	2022	2021
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	6,947	(498)
	Depreciation of owned property, plant and equipment	120,699	107,869
	(Profit)/loss on disposal of property, plant and equipment	-	7,976
	Amortisation of intangible assets	1,032	1,032
	Loss on disposal of intangible assets	1	-
	Operating lease charges	493,744	461,087
		<u> </u>	<u> </u>

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,400	1,500
Audit of the financial statements of the company's subsidiaries	18,450	16,000
	<u>20,850</u>	<u>17,500</u>

7 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Cleaners	884	744	-	-
Administrative	189	172	-	-
Guards	569	574	-	-
Total	<u>1,642</u>	<u>1,490</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	35,401,149	31,385,772	-	-
Social security costs	2,994,277	2,719,039	-	-
Pension costs	619,384	512,913	-	-
	<u>39,014,810</u>	<u>34,617,724</u>	<u>-</u>	<u>-</u>

8 Investment income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	2,142	3,366
Other interest income	337	29,032
Total income	<u>2,479</u>	<u>32,398</u>

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8	Investment income	(Continued)	
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	2,142	3,366
		<u> </u>	<u> </u>
9	Finance costs	2022	2021
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	-	47
	Interest on invoice finance arrangements	40,301	18,568
		<u> </u>	<u> </u>
		40,301	18,615
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	1,615	-
	Other interest	3,999	645
		<u> </u>	<u> </u>
	Total finance costs	45,915	19,260
		<u> </u>	<u> </u>
10	Taxation	2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	225,458	247,891
	Adjustments in respect of prior periods	-	(6,445)
		<u> </u>	<u> </u>
	Total current tax	225,458	241,446
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	61,997	(798,120)
		<u> </u>	<u> </u>
	Total tax charge/(credit)	287,455	(556,674)
		<u> </u>	<u> </u>

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Taxation

(Continued)

The actual charge/(credit) 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:

	2022 £	2021 £
Profit before taxation	980,096	1,108,066
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	186,218	210,533
Tax effect of expenses that are not deductible in determining taxable profit	62,974	(5,132)
Tax effect of income not taxable in determining taxable profit	-	(727,402)
Unutilised tax losses carried forward	491	285
Permanent capital allowances in excess of depreciation	(48,121)	(12,173)
Effect of revaluations of investments	(150,097)	-
Under/(over) provided in prior years	(5,467)	(6,445)
Deferred tax adjustments in respect of prior years	273,757	-
Dividend income	(32,300)	(16,340)
Taxation charge/(credit)	287,455	(556,674)

11 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Interim paid	170,000	86,000

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2021 and 31 March 2022	20,721
Amortisation and impairment	
At 1 April 2021	14,461
Amortisation charged for the year	1,032
At 31 March 2022	15,493
Carrying amount	
At 31 March 2022	5,228
At 31 March 2021	42,302

The company had no intangible fixed assets at 31 March 2022 or 31 March 2021.

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Property, plant and equipment

Group	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2021	518,230	422,583	92,344	12,495	1,045,652
Additions	269,999	15,888	-	15,681	301,568
At 31 March 2022	788,229	438,471	92,344	28,176	1,347,220
Depreciation and impairment					
At 1 April 2021	287,236	311,123	92,344	1,560	692,263
Depreciation charged in the year	79,850	35,502	-	5,347	120,699
At 31 March 2022	367,086	346,625	92,344	6,907	812,962
Carrying amount					
At 31 March 2022	421,143	91,846	-	21,269	534,258
At 31 March 2021	230,994	111,460	-	10,935	353,389

The company had no property, plant and equipment at 31 March 2022 or 31 March 2021.

14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	8,865,334	8,075,351
Movements in non-current investments					
Company					Shares in subsidiaries £
Cost or valuation					
At 1 April 2021					8,075,351
Valuation changes					789,984
Disposals					(1)
At 31 March 2022					8,865,334
Carrying amount					
At 31 March 2022					8,865,334
At 31 March 2021					8,075,351

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Subsidiaries

These financial statements are separate company financial statements for PSSG Group Ltd.

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Eurl Property Support Services France	France	Contract cleaners	Ordinary	0	100.00
Guarding UK Ltd	England and Wales	Provision of security guards	Ordinary	100.00	-
Property Support Services (UK) Ltd	England and Wales	Contract cleaners	Ordinary	100.00	-
Property Support Services Deutschland GmbH	Germany	Contract cleaning	Ordinary	0	100.00
PSS Training Academy Ltd	England and Wales	Training providers	Ordinary	100.00	-
Property Support Services Inc.	USA	Contract cleaning	Ordinary	0	100.00

16 Inventories

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	105,000	84,000	-	-

17 Trade and other receivables

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade receivables	13,980,492	10,861,792	-	-
Corporation tax recoverable	256	110	-	-
Amounts owed by group undertakings	-	-	-	155,358
Other receivables	742,523	879,892	308,635	302,576
Prepayments and accrued income	1,781,900	1,014,687	-	-
	<u>16,505,171</u>	<u>12,756,481</u>	<u>308,635</u>	<u>457,934</u>

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Current liabilities

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans		41,845	-	-	-
Obligations under finance leases	20	29,320	-	-	-
Trade payables		2,684,350	1,725,453	-	-
Gross amounts owed to contract customers		25,597	15,838	-	-
Amounts owed to group undertakings		155,472	-	457,282	463,084
Corporation tax payable		387,796	224,182	-	-
Other taxation and social security		2,768,665	2,418,345	-	-
Other payables		2,363,039	1,552,770	24,200	24,201
Accruals and deferred income		2,239,060	1,760,696	2,400	4,323
		<u>10,695,144</u>	<u>7,697,284</u>	<u>483,882</u>	<u>491,608</u>

The factoring advance of £1,689,998 (2021 - £1,214,188) which is included in other payables, is secured by a fixed and floating charge on the book debts assigned to the factors.

19 Non-current liabilities

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Obligations under finance leases	20	<u>101,954</u>	<u>-</u>	<u>-</u>	<u>-</u>

20 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	29,320	-	-	-
In two to five years	<u>101,954</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>131,274</u>	<u>-</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is three years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	127,943	65,946

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 April 2021	65,946	-
Charge to profit or loss	61,997	-
Liability at 31 March 2022	127,943	-

22 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	619,384	512,913

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	71	71	71	71

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

24 Operating lease commitments

Lessee

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

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	269,980	224,148	-	-
Between two and five years	106,261	113,164	-	-
	<u>376,241</u>	<u>337,312</u>	<u>-</u>	<u>-</u>

25 Controlling party

The ultimate controlling party is M Rust by virtue of his shareholding.

26 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	692,641	1,664,740
Adjustments for:		
Taxation charged/(credited)	287,455	(556,674)
Finance costs	45,915	19,260
Investment income	(2,479)	(32,398)
(Gain)/loss on disposal of property, plant and equipment	-	7,976
Loss on disposal of intangible assets	1	-
Amortisation and impairment of intangible assets	1,032	1,032
Depreciation and impairment of property, plant and equipment	120,699	100,954
Movements in working capital:		
(Increase)/decrease in inventories	(21,000)	6,000
Increase in trade and other receivables	(3,609,229)	(262,067)
Increase in trade and other payables	2,763,081	115,498
Cash generated from operations	<u>278,116</u>	<u>1,064,321</u>

PSSG GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

27 Cash absorbed by operations - company

	2022 £	2021 £
Profit for the year after tax	818,410	1,784,219
Adjustments for:		
Taxation charged/(credited)	-	(786,806)
Investment income	(170,000)	(86,000)
Loss on disposal of intangible assets	1	-
Other gains and losses	(789,984)	(912,913)
Movements in working capital:		
Decrease in trade and other receivables	149,299	38,628
Decrease in trade and other payables	(7,726)	(37,128)
Cash absorbed by operations	-	-

28 Analysis of changes in net funds - group

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	2,181,926	(223,385)	1,958,541
Borrowings excluding overdrafts	-	(41,845)	(41,845)
Obligations under finance leases	-	(131,274)	(131,274)
	2,181,926	(396,504)	1,785,422

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.