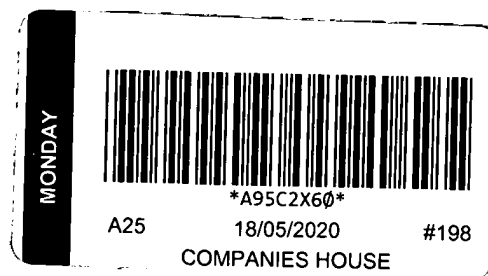

PREMIUM SUPPORT (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



PREMIUM SUPPORT (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	M S Garrett D A Garrett
Registered number	11104868
Registered office	Charles Lake House Claire Causeway Dartford United Kingdom DA2 6QA
Independent auditors	Barnes Roffe LLP Chartered Accountants & Statutory Auditor Charles Lake House Claire Causeway Crossways Business Park Dartford Kent DA2 6QA

PREMIUM SUPPORT (HOLDINGS) LIMITED

CONTENTS

	Page
Group strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5 - 7
Consolidated statement of comprehensive income	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated Statement of cash flows	13 - 14
Notes to the financial statements	15 - 28

PREMIUM SUPPORT (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present their strategic report accompanying the financial statements for the year ended 31 December 2019.

Business review

This year has been a good year for the group with Premium Support Services Limited seeing an increase in turnover. The group's mission "delivering a quality, reliable and cost-effective service" remains consistent and is very much part of the customer focussed culture of the group.

With continued control over trading activities and by prioritising customer needs, the directors are confident the group will continue its profitable trend going forward.

Principal risks and uncertainties

The key business risks and uncertainties are deemed to relate to competition from established competitors and potentially the UK economy relating to consistency of payment and need for the service the company provides. These risks are continually monitored by management.

Price risk

The group operates in a competitive market where pressures continually exist to drive down the price of services. The company must ensure that costs are minimised to ensure prices can be maintained and that the company can react to any adverse changes within the industry.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that party by failing to meet an obligation. Policies are aimed at minimising exposure to such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation and reviewing the working capital cycle on a quarterly basis.

Since the Balance Sheet date the company has had to deal with the coronavirus pandemic and the associated measures that governments, customers, suppliers and finance providers are putting in place to deal with it. In the very short term this has been a positive for the company with an increase in sales due to the additional cleaning contracts however looking further forward the company will undoubtedly suffer some adverse impact from this in the medium term, the directors are confident that we can work through the temporary disruption and that certain cleaning contracts such as with the NHS will continue to assist in meeting the ongoing working capital requirements of the company. This coupled with the various packages the government are offering gives the directors confidence that the company will continue for the foreseeable future.

Financial key performance indicators

Given the straight forward nature of the business the group's directors' are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

PREMIUM SUPPORT (HOLDINGS) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board on 20/4/2020 and signed on its behalf.



M. S. Garrett
Director

PREMIUM SUPPORT (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £429,050 (2018 - £387,576).

Dividends of £330,000 (2018 - £301,000) were voted during the year.

Directors

The directors who served during the year were:

M S Garrett
D A Garrett

Engagement with employees

The group takes employee involvement seriously by ensuring that any concerns that employees raise are dealt with by the management team.

Disabled employees

The Company's policy is to recruit disabled workers for those vacancies they are able to fill. All necessary assistance with initial training is given. Once employed, a career path is developed so as to ensure suitable opportunities for development exist for each disabled person. Arrangements are made wherever possible for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

PREMIUM SUPPORT (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

Post balance sheet events

Since the Balance Sheet date the company has had to deal with the coronavirus pandemic and the associated measures that governments, customers, suppliers and finance providers are putting in place to deal with it. In the very short term this has been a positive for the company with an increase in sales due to the additional cleaning contracts however looking further forward the company will undoubtedly suffer some adverse impact from this in the medium term, the directors are confident that we can work through the temporary disruption and that certain cleaning contracts such as with the NHS will continue to assist in meeting the ongoing working capital requirements of the company. This coupled with the various packages the government are offering gives the directors confidence that the company will continue for the foreseeable future.

Auditors

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20/4/2020 and signed on its behalf.



M/S Garrett
Director

PREMIUM SUPPORT (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREMIUM SUPPORT (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Premium Support (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the group Statement of comprehensive income, the group and company Balance sheets, the group Statement of cash flows, the group and company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 group's or the parent 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 Auditors' 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.

PREMIUM SUPPORT (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREMIUM SUPPORT (HOLDINGS) LIMITED (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

PREMIUM SUPPORT (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREMIUM SUPPORT (HOLDINGS) LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Duncan Stannett (Senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants

Statutory Auditor

Charles Lake House

Claire Causeway

Crossways Business Park

Dartford

Kent

DA2 6QA

Date:

15th May 2020

PREMIUM SUPPORT (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	12 months ending December 2019 £	11 months ending December 2018 £
Turnover	3	20,687,557	15,179,825
Cost of sales		(17,705,668)	(12,984,901)
Gross profit		2,981,889	2,194,924
Administrative expenses		(2,286,910)	(1,565,829)
Operating profit		694,979	629,095
Interest payable and expenses	7	(15,561)	(15,518)
Profit before taxation		679,418	613,577
Tax on profit	8	(250,368)	(226,001)
Profit for the financial year		429,050	387,576
Merger relief		-	2,249,499
Other comprehensive income for the year		-	2,249,499
Total comprehensive income for the year		429,050	2,637,075
Profit for the year attributable to:			
Owners of the parent company		429,050	387,576
		429,050	387,576
Total comprehensive income for the year attributable to:			
Owners of the parent company		429,050	2,637,075
		429,050	2,637,075

There were no recognised gains and losses for 2018 or 2018 other than those included in the consolidated statement of comprehensive income.

The notes on pages 15 to 28 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED
REGISTERED NUMBER: 11104868

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	1,821,030	2,411,635
Tangible assets	11	416,148	425,388
		<u>2,237,178</u>	<u>2,837,023</u>
Current assets			
Debtors: amounts falling due within one year	13	3,881,799	2,233,009
Cash at bank and in hand	14	354,593	2,000
		<u>4,236,392</u>	<u>2,235,009</u>
Creditors: amounts falling due within one year	15	(3,789,468)	(2,448,638)
Net current assets/(liabilities)		<u>446,924</u>	<u>(213,629)</u>
Total assets less current liabilities		<u>2,684,102</u>	<u>2,623,394</u>
Creditors: amounts falling due after more than one year	16	(246,476)	(284,818)
Provisions for liabilities			
Net assets		<u>2,437,626</u>	<u>2,338,576</u>
Capital and reserves			
Called up share capital	18	2,501	2,501
Merger reserve		2,249,499	2,249,499
Profit and loss account		185,626	86,576
Equity attributable to owners of the parent company		<u>2,437,626</u>	<u>2,338,576</u>
		<u>2,437,626</u>	<u>2,338,576</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20/4/2020


M. S. Garrett
Director

The notes on pages 15 to 28 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED
REGISTERED NUMBER: 11104868

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	12	4,511,935	4,511,935
Current assets			
Cash at bank and in hand	14	2,000	2,000
		<u>2,000</u>	<u>2,000</u>
Creditors: amounts falling due within one year	15	(1,031,935)	(1,631,935)
Net current liabilities		(1,029,935)	(1,629,935)
Total assets less current liabilities		<u>3,482,000</u>	<u>2,882,000</u>
Net assets		<u><u>3,482,000</u></u>	<u><u>2,882,000</u></u>
Capital and reserves			
Called up share capital	18	2,501	2,501
Merger reserve		2,249,499	2,249,499
Profit and loss account brought forward		630,000	-
Profit for the year		930,000	931,000
Other changes in the profit and loss account		(330,000)	(301,000)
		<u>1,230,000</u>	<u>630,000</u>
Profit and loss account carried forward		<u><u>3,482,000</u></u>	<u><u>2,882,000</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 / 4 / 2020


M S Garrett
 Director

The notes on pages 15 to 28 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Merger reserve	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£
At 1 January 2019	2,501	2,249,499	86,576	2,338,576	2,338,576
Profit for the year	-	-	429,050	429,050	429,050
Dividends	-	-	(330,000)	(330,000)	(330,000)
At 31 December 2019	2,501	2,249,499	185,626	2,437,626	2,437,626

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Merger reserve	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£
Profit for the period	-	-	387,576	387,576	387,576
Merger relief	-	2,249,499	-	2,249,499	2,249,499
Dividends	-	-	(301,000)	(301,000)	(301,000)
Shares issued during the period	2,501	-	-	2,501	2,501
At 31 December 2018	2,501	2,249,499	86,576	2,338,576	2,338,576

The notes on pages 15 to 28 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	2,501	2,249,499	630,000	2,882,000
Profit for the year	-	-	930,000	930,000
Dividends	-	-	(330,000)	(330,000)
At 31 December 2019	2,501	2,249,499	1,230,000	3,482,000

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
Profit for the period	-	-	931,000	931,000
Merger relief	-	2,249,499	-	2,249,499
Dividends	-	-	(301,000)	(301,000)
Shares issued during the period	2,501	-	-	2,501
At 31 December 2018	2,501	2,249,499	630,000	2,882,000

The notes on pages 15 to 28 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	429,050	387,576
Adjustments for:		
Amortisation of intangible fixed assets	590,605	541,388
Depreciation of tangible fixed assets	25,194	21,618
Interest paid	15,561	15,518
Taxation charge	250,368	226,001
(Increase) in debtors	(1,648,790)	(5,808)
Increase/(decrease) in creditors	333,661	(54,088)
Corporation tax (paid)	(247,046)	(258,669)
Net cash generated from operating activities	(251,397)	873,536
Cash flows from investing activities		
Purchase of tangible fixed assets	(15,954)	(18,396)
Purchase of fixed asset investments	-	(2,261,935)
Cash acquired on acquisition	-	1,565,114
Net cash from investing activities	(15,954)	(715,217)

PREMIUM SUPPORT (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from financing activities		
Issue of ordinary shares	-	2,000
Repayment of loans	(36,742)	(31,618)
Dividends paid	(330,000)	(301,000)
Interest paid	(15,561)	(15,518)
Net cash used in financing activities	(382,303)	(346,136)
Net (decrease) in cash and cash equivalents	(649,654)	(187,817)
Cash and cash equivalents at beginning of year	(187,817)	-
Cash and cash equivalents at the end of year	(837,471)	(187,817)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	354,593	2,000
Bank overdrafts	(1,192,064)	(189,817)
	(837,471)	(187,817)

The notes on pages 15 to 28 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Premium Support (Holdings) Limited is a private company limited by shares and incorporated in England and Wales. The address of the registered office is Charles Lake House, Claire Causeway, Dartford, DA2 6QA. The principal activity is that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2018.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.9 Taxation

Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% Straight line
Plant and machinery	-	25% Straight line
Motor vehicles	-	25% Straight line
Fixtures and fittings	-	25% Straight line
Office equipment	-	25% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.18 Debt factoring

Where debts are factored, the gross amount of debt is included within the group's sales ledger with the advances secured under the factoring arrangements shown by way of a liability.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Turnover

An analysis of turnover by class of business is as follows:

	12 months ending December 2019 £	<i>11 months ending December 2018 £</i>
Sales	20,670,296	15,162,564
Rental income	17,261	17,261
	<u>20,687,557</u>	<u>15,179,825</u>

All turnover arose within the United Kingdom.

4. Auditors' remuneration

	12 months ending December 2019 £	<i>11 months ending December 2018 £</i>
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<u>11,700</u>	<u>11,450</u>
Fees payable to the group's auditor and its associates in respect of:		
All other services	<u>6,982</u>	<u>4,287</u>

PREMIUM SUPPORT (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 12 months ending December 2019 £	<i>Group 11 months ending December 2018 £</i>	Company 12 months ending December 2019 £	<i>Company 11 months ending December 2018 £</i>
Wages and salaries	14,814,192	10,597,673	-	-
Social security costs	770,067	545,963	-	-
Cost of defined contribution scheme	166,411	84,390	-	-
	15,750,670	11,228,026	-	-

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	<i>2018 No.</i>
Employees	1,285	1,047

6. Directors' remuneration

	12 months ending December 2019 £	<i>11 months ending December 2018 £</i>
Directors' emoluments	15,912	15,619

7. Interest payable and similar expenses

	12 months ending December 2019 £	<i>11 months ending December 2018 £</i>
Bank interest payable	10,095	11,086
Credit charges payable	5,466	4,432
	15,561	15,518

PREMIUM SUPPORT (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Taxation

	12 months ending December 2019 £	<i>11 months ending December 2018 £</i>
Corporation tax		
Current tax on profits for the year	250,368	225,362
Adjustments in respect of previous periods	-	639
Total current tax	250,368	226,001

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	12 months ending December 2019 £	<i>11 months ending December 2018 £</i>
Profit on ordinary activities before tax	679,418	613,577
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	129,090	116,580
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	112,215	102,863
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,993	4,043
Depreciation for period in excess of capital allowances	3,070	1,876
Adjustments to tax charge in respect of prior periods	-	639
Total tax charge for the year/period	250,368	226,001

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Dividends

	12 months ending December 2019 £	11 months ending December 2018 £
Dividends	<u>330,000</u>	<u>301,000</u>

10. Intangible assets

Group

	Goodwill £
Cost	
At 1 January 2019	<u>2,953,023</u>
At 31 December 2019	<u>2,953,023</u>
Amortisation	
At 1 January 2019	<u>541,388</u>
Charge for the year	<u>590,605</u>
At 31 December 2019	<u>1,131,993</u>
Net book value	
At 31 December 2019	<u>1,821,030</u>
At 31 December 2018	<u>2,411,635</u>

PREMIUM SUPPORT (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2019	408,470	17,985	14,400	45,676	486,531
Additions	-	900	9,500	5,554	15,954
At 31 December 2019	408,470	18,885	23,900	51,230	502,485
Depreciation					
At 1 January 2019	17,019	9,054	1,199	33,871	61,143
Charge for the year	8,169	4,590	4,590	7,845	25,194
At 31 December 2019	25,188	13,644	5,789	41,716	86,337
Net book value					
At 31 December 2019	383,282	5,241	18,111	9,514	416,148
At 31 December 2018	391,451	8,931	13,201	11,805	425,388

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold	383,282	374,621

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	4,511,935
At 31 December 2019	<u>4,511,935</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Premium Support Services Limited	Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA	Ordinary A, B, C, D	100%

13. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	3,819,662	2,190,415	-	-
Other debtors	3,416	209	-	-
Prepayments and accrued income	58,721	42,385	-	-
	<u>3,881,799</u>	<u>2,233,009</u>	<u>-</u>	<u>-</u>

PREMIUM SUPPORT (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	354,593	2,000	2,000	2,000
Less: bank overdrafts	(1,192,064)	(189,817)	-	-
	<u>(837,471)</u>	<u>(187,817)</u>	<u>2,000</u>	<u>2,000</u>

15. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	1,192,064	189,817	-	-
Bank loans	38,780	37,180	-	-
Trade creditors	577,154	594,634	-	-
Amounts owed to group undertakings	-	-	1,031,935	1,506,935
Corporation tax	250,254	246,932	-	-
Other taxation and social security	573,332	416,039	-	-
Other creditors	457,546	397,204	-	125,000
Accruals and deferred income	700,338	566,832	-	-
	<u>3,789,468</u>	<u>2,448,638</u>	<u>1,031,935</u>	<u>1,631,935</u>

16. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	246,476	284,818	-	-

Secured loans

Bank loans and overdrafts amounting to £1,477,320 (2018 - £511,815) are secured over the freehold property to which they relate and the assets of the group.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

17. Loans

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Bank loans	38,780	37,180	-	-
Amounts falling due 1-2 years				
Bank loans	38,500	38,780	-	-
Amounts falling due 2-5 years				
Bank loans	57,901	76,610	-	-
Amounts falling due after more than 5 years				
Bank loans	150,075	169,428	-	-
	<u>285,256</u>	<u>321,998</u>	<u>-</u>	<u>-</u>

18. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2,501 (2018 - 2,501) Ordinary shares of £1.00 each	<u>2,501</u>	<u>2,501</u>

19. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £166,411 (2018 - £84,390). Contributions totalling £19,828 (2018 - £9,148) were payable to the fund at the balance sheet date and are included in other creditors.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

20. Commitments under operating leases

At 31 December 2019 the group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	<i>Group 2018 £</i>
Not later than 1 year	20,984	<i>45,434</i>
Later than 1 year and not later than 5 years	9,010	<i>29,994</i>
	29,994	<i>75,428</i>

21. Related party transactions

Included within other creditors due within one year are amounts owed to the directors of £Nil (2018 - £9,304).

The directors had an interest in dividends paid during the year of £330,000 (2018 - £301,000).