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Registered number: 11104868

PREMIUM SUPPORT (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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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 3rd Floor Maya House 134 - 138 Borough High Street London SE1 1LB

PREMIUM SUPPORT (HOLDINGS) LIMITED

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PREMIUM SUPPORT (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their strategic report accompanying the financial statements for the year ended 31 December 2021.

Business review

This year has been another 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 considered to relate to competition from established competitors and the continuation of requirements for the services the group provides, together with the risk of consistency of customer payments. These risks are continually monitored by management.

Price risk

The company 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. Details of the company's debtors are shown in Note 13 to the financial statements.

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.

During the year the company has had to deal with the coronavirus pandemic and the associated measures that governments, customers, suppliers and finance providers have put in place to deal with it. This has been a positive for the company with an increase in sales due to the additional services being offered to support our current and new client portfolio.

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.

This report was approved by the board on 29th April 2022 and signed on its behalf.



M S Garrett
Director

PREMIUM SUPPORT (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

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 £1,802,665 (2020 - £612,674).

Dividends of £845,000 (2020 - £360,000) 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 2021**

Statement of corporate governance arrangements

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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.

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 29th April 2022 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 2021, 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 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

PREMIUM SUPPORT (HOLDINGS) LIMITED

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are 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.

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.

PREMIUM SUPPORT (HOLDINGS) LIMITED

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, 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.

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 Group financial statements.

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

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience of the sector that the company operates in;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and focussed accreditations such as UKAS, Safe Contractors and Altius;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing board minutes, relevant correspondence and certificates held; and
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of

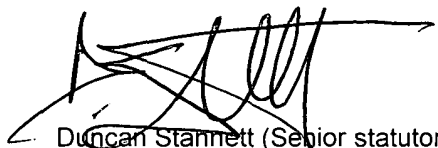
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

PREMIUM SUPPORT (HOLDINGS) LIMITED

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

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 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, as a body, 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

3rd Floor

Maya House

134 - 138 Borough High Street

London

SE1 1LB

Date:

1st May 2022

PREMIUM SUPPORT (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	3	34,335,160	24,201,563
Cost of sales		(29,577,691)	(21,722,084)
Gross profit		4,757,469	2,479,479
Administrative expenses		(3,118,941)	(2,617,623)
Other operating income	4	691,748	1,007,522
Operating profit		2,330,276	869,378
Income from participating interests		50,000	43,549
Interest receivable and similar income	8	-	226
Interest payable and expenses	9	(15,286)	(12,829)
Profit before taxation		2,364,990	900,324
Tax on profit	10	(562,325)	(287,650)
Profit for the financial year		1,802,665	612,674
Unrealised surplus on revaluation of tangible fixed assets		-	66,618
Other comprehensive income for the year		-	66,618
Total comprehensive income for the year		1,802,665	679,292
Profit for the year attributable to:			
Owners of the parent company		1,802,665	612,674
		1,802,665	612,674

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

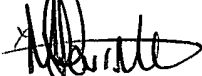
The notes on pages 15 to 29 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED
REGISTERED NUMBER: 11104868

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	639,820	1,230,425
Tangible assets	13	35,021	22,533
Investments	14	450,000	450,000
		<u>1,124,841</u>	<u>1,702,958</u>
Current assets			
Debtors: amounts falling due within one year	15	8,727,140	5,618,197
Cash at bank and in hand	16	478,395	1,056,552
		<u>9,205,535</u>	<u>6,674,749</u>
Creditors: amounts falling due within one year	17	(6,426,832)	(5,414,318)
Net current assets		<u>2,778,703</u>	<u>1,260,431</u>
Total assets less current liabilities		<u>3,903,544</u>	<u>2,963,389</u>
Creditors: amounts falling due after more than one year	18	(188,961)	(206,471)
Net assets		<u><u>3,714,583</u></u>	<u><u>2,756,918</u></u>
Capital and reserves			
Called up share capital	20	2,501	2,501
Revaluation reserve		66,618	66,618
Merger reserve		2,249,499	2,249,499
Profit and loss account		1,395,965	438,300
		<u><u>3,714,583</u></u>	<u><u>2,756,918</u></u>

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



M S Garrett
Director

Date: 29/4/2022

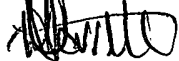
The notes on pages 15 to 29 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED
REGISTERED NUMBER: 11104868

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	4,961,935	4,961,935
		<u>4,961,935</u>	<u>4,961,935</u>
Current assets			
Debtors: amounts falling due within one year	15	93,549	43,549
Cash at bank and in hand	16	2,000	2,000
		<u>95,549</u>	<u>45,549</u>
Creditors: amounts falling due within one year	17	(1,050,156)	(1,040,309)
Net current liabilities		<u>(954,607)</u>	<u>(994,760)</u>
Total assets less current liabilities		<u>4,007,328</u>	<u>3,967,175</u>
Net assets		<u>4,007,328</u>	<u>3,967,175</u>
Capital and reserves			
Called up share capital	20	2,501	2,501
Revaluation reserve		66,618	66,618
Merger reserve		2,249,499	2,249,499
Profit and loss account brought forward		1,648,557	1,230,000
Profit for the year		885,153	778,557
Other changes in the profit and loss account		(845,000)	(360,000)
		<u>1,688,710</u>	<u>1,648,557</u>
Profit and loss account carried forward		<u>4,007,328</u>	<u>3,967,175</u>

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



M S Garrett
Director

Date: 29/4/2022

The notes on pages 15 to 29 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED

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

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	2,501	66,618	2,249,499	438,300	2,756,918
Profit for the year	-	-	-	1,802,665	1,802,665
Dividends	-	-	-	(845,000)	(845,000)
At 31 December 2021	2,501	66,618	2,249,499	1,395,965	3,714,583

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	2,501	-	2,249,499	185,626	2,437,626
Comprehensive income for the year					
Profit for the year	-	-	-	612,674	612,674
Surplus on revaluation of freehold property	-	66,618	-	-	66,618
Dividends	-	-	-	(360,000)	(360,000)
At 31 December 2020	2,501	66,618	2,249,499	438,300	2,756,918

The notes on pages 15 to 29 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED

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

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	2,501	66,618	2,249,499	1,648,557	3,967,175
Profit for the year	-	-	-	885,153	885,153
Dividends	-	-	-	(845,000)	(845,000)
At 31 December 2020	2,501	66,618	2,249,499	1,688,710	4,007,328

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	2,501	-	2,249,499	1,230,000	3,482,000
Profit for the year	-	-	-	778,557	778,557
Surplus on revaluation of freehold property	-	66,618	-	-	66,618
Dividends	-	-	-	(360,000)	(360,000)
At 31 December 2020	2,501	66,618	2,249,499	1,648,557	3,967,175

The notes on pages 15 to 29 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	1,802,665	612,674
Adjustments for:		
Amortisation of intangible fixed assets	590,605	590,605
Depreciation of tangible fixed assets	14,300	14,842
Loss on disposal of tangible fixed assets	2,459	-
Government grants	(691,748)	(1,007,522)
Interest paid	15,286	12,829
Interest received	(50,000)	(43,775)
Taxation charge	562,325	287,650
(Increase) in debtors	(3,108,943)	(1,736,398)
(Decrease)/increase in creditors	(758,986)	2,774,981
Increase in amounts owed to associates	93,561	-
Corporation tax (paid)	(287,291)	(250,354)
Net cash generated from operating activities	(1,815,767)	1,255,532
Cash flows from investing activities		
Purchase of tangible fixed assets	(29,247)	(4,509)
Government grants received	691,748	1,007,522
Purchase of share in associates	-	(100)
Interest received	-	226
Income from investments in related companies	50,000	43,549
Net cash from investing activities	712,501	1,046,688

PREMIUM SUPPORT (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from financing activities		
Repayment of loans	(37,201)	(40,285)
Dividends paid	(845,000)	(360,000)
Interest paid	(15,286)	(12,829)
Net cash used in financing activities	(897,487)	(413,114)
Net (decrease)/increase in cash and cash equivalents	(2,000,753)	1,889,106
Cash and cash equivalents at beginning of year	1,051,635	(837,471)
Cash and cash equivalents at the end of year	(949,118)	1,051,635
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	478,395	1,056,552
Bank overdrafts	(1,427,513)	(4,917)
	(949,118)	1,051,635

The notes on pages 15 to 29 form part of these financial statements.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

2. Accounting policies (continued)

2.3 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.

2.4 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss 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.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

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

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss 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.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 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 profit or loss 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.

2.10 Taxation

Tax is recognised in profit or loss 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.

2.11 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.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 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 profit or loss.

2.13 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.15 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.16 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.

2.17 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.

2.18 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.

2.19 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

PREMIUM SUPPORT (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.19 Financial instruments (continued)

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.

2.20 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.

2.21 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.

3. Turnover

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

	2021 £	2020 £
Sales	34,317,899	24,184,302
Rental income	17,261	17,261
	<u>34,335,160</u>	<u>24,201,563</u>

All turnover arose within the United Kingdom.

4. Other operating income

	2021 £	2020 £
Government grants receivable	691,748	1,007,522
	<u>691,748</u>	<u>1,007,522</u>

PREMIUM SUPPORT (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>7,750</u>	<u>11,700</u>
Fees payable to the Group's auditor and its associates in respect of:		
All other services	<u>65,358</u>	<u>17,215</u>

6. Employees

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

	Group 2021 £	<i>Group</i> <i>2020</i> £	Company 2021 £	<i>Company</i> <i>2020</i> £
Wages and salaries	26,396,184	18,691,326	-	-
Social security costs	1,609,318	1,034,804	-	-
Cost of defined contribution scheme	210,225	255,513	-	-
	<u>28,215,727</u>	<u>19,981,643</u>	<u>-</u>	<u>-</u>

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

	Group 2021 No.	<i>Group</i> <i>2020</i> No.	Company 2021 No.	<i>Company</i> <i>2020</i> No.
Directors	2	2	2	2
Employees	2,058	1,468	-	-
	<u>2,060</u>	<u>1,470</u>	<u>2</u>	<u>2</u>

7. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	<u>17,834</u>	<u>15,519</u>
	<u>17,834</u>	<u>15,519</u>

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Interest receivable

	2020 £	2020 £
Bank interest receivable	-	226
	<u>-</u>	<u>226</u>

9. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	5,239	5,820
Credit charges payable	10,047	7,009
	<u>15,286</u>	<u>12,829</u>

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	562,584	287,650
Adjustments in respect of previous periods	(259)	-
Total current tax	<u>562,325</u>	<u>287,650</u>

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	2,364,990	900,324
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	449,348	171,062
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	112,215	112,215
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,376	2,812
Capital allowances for year in excess of depreciation	(4,543)	1,561
Short term timing difference leading to an increase (decrease) in taxation	929	-
Total tax charge for the year	562,325	287,650

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2021 £	2020 £
Dividends	845,000	360,000

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Intangible assets

Group

	Goodwill £
Cost	
At 1 January 2021	2,953,023
At 31 December 2021	<u>2,953,023</u>
Amortisation	
At 1 January 2021	1,722,598
Charge for the year	590,605
At 31 December 2021	<u>2,313,203</u>
Net book value	
At 31 December 2021	<u>639,820</u>
At 31 December 2020	<u>1,230,425</u>

PREMIUM SUPPORT (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2021	19,718	23,900	54,906	98,524
Additions	-	-	29,247	29,247
Transfer to investments on making a capital contribution to an LLP	-	(5,900)	-	(5,900)
At 31 December 2021	<u>19,718</u>	<u>18,000</u>	<u>84,153</u>	<u>121,871</u>
Depreciation				
At 1 January 2021	18,435	11,764	45,792	75,991
Charge for the year	433	4,500	9,367	14,300
Disposals	-	(3,441)	-	(3,441)
At 31 December 2021	<u>18,868</u>	<u>12,823</u>	<u>55,159</u>	<u>86,850</u>
Net book value				
At 31 December 2021	<u>850</u>	<u>5,177</u>	<u>28,994</u>	<u>35,021</u>
At 31 December 2020	<u>1,283</u>	<u>12,136</u>	<u>9,114</u>	<u>22,533</u>

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

PREMIUM SUPPORT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Fixed asset investments

Company

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 January 2021	4,511,935	450,000	4,961,935
At 31 December 2021	4,511,935	450,000	4,961,935

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%

Participating interests

The company has a participating interest in PSS Property LLP.

PREMIUM SUPPORT (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	8,512,226	5,472,385	-	-
Other debtors	98,508	88,931	93,549	43,549
Prepayments and accrued income	116,406	56,881	-	-
	<u>8,727,140</u>	<u>5,618,197</u>	<u>93,549</u>	<u>43,549</u>

16. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	478,395	1,056,552	2,000	2,000
Less: bank overdrafts	(1,427,513)	(4,917)	-	-
	<u>(949,118)</u>	<u>1,051,635</u>	<u>2,000</u>	<u>2,000</u>

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	1,427,513	4,917	-	-
Bank loans	18,809	38,500	-	-
Trade creditors	507,767	617,552	-	-
Amounts owed to group undertakings	93,561	-	1,040,556	1,031,935
Corporation tax	562,584	287,550	9,500	8,274
Other taxation and social security	1,970,471	2,673,970	-	-
Other creditors	1,108,749	1,374,483	100	100
Accruals and deferred income	737,378	417,346	-	-
	<u>6,426,832</u>	<u>5,414,318</u>	<u>1,050,156</u>	<u>1,040,309</u>

PREMIUM SUPPORT (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	Group 2021 £	<i>Group 2020 £</i>
Bank loans	188,961	206,471
	<u>188,961</u>	<u>206,471</u>

Secured loans

Bank loans and overdrafts amounting to £1,635,283 (2020: £249,888) are secured over the assets of the group.

19. Loans

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Amounts falling due within one year				
Bank loans	18,809	38,500	-	-
Amounts falling due 1-2 years				
Bank loans	19,300	18,809	-	-
Amounts falling due 2-5 years				
Bank loans	60,845	59,373	-	-
Amounts falling due after more than 5 years				
Bank loans	108,816	128,289	-	-
	<u>207,770</u>	<u>244,971</u>	<u>-</u>	<u>-</u>

20. Share capital

	2021 £	<i>2020 £</i>
Allotted, called up and fully paid		
2,501 (2020 - 2,501) Ordinary shares of £1.00 each	<u>2,501</u>	<u>2,501</u>

PREMIUM SUPPORT (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. 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 £354,691 (2020 - £255,513). Contributions totalling £4,126 (2020 - £23,512) were payable to the fund at the balance sheet date and are included in other creditors.

22. Commitments under operating leases

At 31 December 2021 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	368,749	69,692
Later than 1 year and not later than 5 years	559,252	200,862
Later than 5 years	154,167	204,166
	<u>1,082,168</u>	<u>474,720</u>

23. Related party transactions

Included within other creditors due within one year are amounts owed to the directors of £2,166 (2020 - £978).

The directors had an interest in dividends paid during the year of 845,000 (2020 - £360,000).

24. Controlling party

There is no individual controlling party.