

IOR GROUP LIMITED
Strategic Report, Directors' Report and
Financial Statements
for the Year Ended 30 June 2020

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for the year ended 30 June 2020

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IOR GROUP LIMITED
Company Information
for the year ended 30 June 2020

Directors:	M M Randall N J Sinsbury
Secretary:	N J Sinsbury
Registered office:	The Studio 98 Kew Road Richmond Surrey TW9 2PQ
Registered number:	02373644 (England and Wales)
Auditors:	Haines Watts Chartered Accountants and Statutory Auditor 178 Buckingham Avenue Slough Berkshire SL1 4RD
Bankers:	Bank of Scotland PLC 155 Bishopgate London EC2M 3YB

**Strategic Report
for the year ended 30 June 2020**

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

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end.

Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the Company, these being turnover and profit margins.

**Strategic Report
for the year ended 30 June 2020**

Review of business

The Company reports a loss in the year of £699,737 (2019: profit £468,665). The reasons for which are explained below.

The Directors note the following key performance indicators are used by management to actively and effectively run the business with the aim of profitable growth and maximising stakeholder value.

Turnover

The Directors note that the turnover was £10m for the year. This was significantly lower than planned. A direct result of the Covid pandemic. The effect, in the immediate build up and particularly Q4 of the financial year under review, was that site work ceased for some time, high value projects were put on hold, and a small number of projects were shelved. Importantly, the significant majority of all high value, prestigious projects (in excess of £6m) were deferred for a number of months and did commence in the new financial year.

During the period under review, the Company continued with its programme of targeted, focused recruitment of key individuals, and the investment of a change in focus for new business generation. The transitional nature of the past year, in conjunction with measured strategic planning and business relationship building, is now showing rewards. Turnover will show substantial growth in the year to come.

Gross profit

The Directors report gross profit of £2.1m. The margin decreased from 21.8% to 21%. The Company continues to target margins, actively analysing and working with the Company's supply chain to improve efficiencies and ultimately control costs. The small reduction in margin is a reflection of the overall mix of the service offer of office fit-out, design, refurbishment and office furniture. IOR Group remains fully committed to its holistic service offer, including workplace consultancy, architectural design and project management.

Operating profit

The Directors reported an operating loss of £699,737 (2019: profit £465,525).

Administrative expenses

During the period, administrative expenses reduced significantly from the previous year.

As the impact of the pandemic became apparent, the Directors took immediate measures to control costs in line with the reduced turnover as projects were put on hold. Numerous actions were taken, including the use of Government support schemes, direct cost reductions and the re-evaluation of the Company's property requirements.

Future developments

The Covid Pandemic has had a direct impact upon the Office Fit Out Industry. Although, the short term effect was negative for the Company in Q4 of this financial year, there is significant opportunity going forward. As all businesses review their workplace, a huge opportunity is presented to the industry.

In summary:

- Immediate actions taken by the business to balance and control costs, and the re-evaluation of its property requirements.
- The majority of pipeline projects won but affected by Covid were not lost but deferred and commenced on site in the new financial year.
- Opportunities arise from new ways of working and the use of office space as business returns to the workplace.
- The continued recruitment of quality staff in line with growth.
- The on-going sales strategy. The development and retention of long-lasting relationships and the delivery of quality service in a competitive market. Actively identifying new business opportunities as they arise, maintaining strong repeat custom and quality clients.

The Directors are confident of considerable turnover and profit growth in both the coming and future years.

**Strategic Report
for the year ended 30 June 2020**

Principal risks and uncertainties

The Company's activities expose it to certain financial risks, including currency risk, credit risk and liquidity risk. The Directors carry out risk management on a regular basis, ensuring the company's risk policies are adhered to. This programme of risk management seeks to limit any adverse effects on the financial performance of the Company by maintaining adequate reserves and banking facilities, and the monitoring of rolling forecasts and actual cash flows on a regular basis.

On behalf of the board:

M M Randall - Director

30 June 2021

**Directors' Report
for the year ended 30 June 2020**

The directors present their report with the financial statements of the company for the year ended 30 June 2020.

Principal activity

The company's principal activity during the period continued to be the fit-out and furnishing of commercial properties, creating quality environments with flexibility and speed. The focus is to provide a full "end to end" client service, from building search through to lifecycle.

Dividends

No dividends will be distributed for the year ended 30 June 2020.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 July 2019 to the date of this report.

M M Randall
N J Sinsbury

Charitable donations

During the period the company made charitable donations of £832 (2019: £nil).

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board:

M M Randall - Director

30 June 2021

Independent Auditors' Report to the Members of IOR Group Limited

Opinion

We have audited the financial statements of IOR Group Limited (the 'company') for the year ended 30 June 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Conclusions relating to going concern

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

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

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed on accounting policy Going Concern.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, but does not include 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent Auditors' Report to the Members of IOR Group Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

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

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

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, 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.

Paul Simmons (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditor
178 Buckingham Avenue
Slough
Berkshire
SL1 4RD

30 June 2021

**Statement of Comprehensive
Income
for the year ended 30 June 2020**

	Notes	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
Turnover	3	9,956,457	17,174,298
Cost of sales		<u>(7,869,255)</u>	<u>(13,431,467)</u>
Gross profit		2,087,202	3,742,831
Selling costs		(8,211)	(29,121)
Administrative expenses		<u>(2,903,051)</u>	<u>(5,384,512)</u>
		(824,060)	(1,670,802)
Other operating income	4	169,059	2,136,327
Operating (loss)/profit		<u>(655,001)</u>	465,525
Interest receivable and similar income		10,264	3,140
		<u>(644,737)</u>	468,665
Interest payable and similar expenses	7	(55,000)	-
(Loss)/profit before taxation	8	<u>(699,737)</u>	468,665
Tax on (loss)/profit	9	-	198,529
(Loss)/profit for the financial year		<u>(699,737)</u>	667,194
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>(699,737)</u></u>	<u><u>667,194</u></u>

Balance Sheet
30 June 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	10		58,998		71,644
Investments	11		5,000		5,000
Investment property	12		<u>625,000</u>		<u>625,000</u>
			688,998		701,644
Current assets					
Stocks	13	115,788		100,211	
Debtors	14	2,585,847		4,273,649	
Investments	15	148,616		41,459	
Cash at bank and in hand		<u>1,402,637</u>		<u>753,893</u>	
		4,252,888		5,169,212	
Creditors					
Amounts falling due within one year	16	<u>3,508,460</u>		<u>3,755,520</u>	
Net current assets			<u>744,428</u>		<u>1,413,692</u>
Total assets less current liabilities			<u>1,433,426</u>		<u>2,115,336</u>
Creditors					
Amounts falling due after more than one year	17		(350,000)		(350,000)
Provisions for liabilities	19		<u>(35,080)</u>		<u>(35,080)</u>
Net assets			<u>1,048,346</u>		<u>1,730,256</u>
Capital and reserves					
Called up share capital	20		600		600
Capital redemption reserve	21		400		400
Share based payment reserve	21		43,576		25,749
Retained earnings	21		<u>1,003,770</u>		<u>1,703,507</u>
Shareholders' funds			<u>1,048,346</u>		<u>1,730,256</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2021 and were signed on its behalf by:

M M Randall - Director

Statement of Changes in Equity
for the year ended 30 June 2020

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Share based payment reserve £	Total equity £
Balance at 1 January 2018	600	1,036,313	400	51,499	1,088,812
Changes in equity					
Total comprehensive income	-	667,194	-	(25,750)	641,444
Balance at 30 June 2019	600	1,703,507	400	25,749	1,730,256
Changes in equity					
Total comprehensive income	-	(699,737)	-	17,827	(681,910)
Balance at 30 June 2020	600	1,003,770	400	43,576	1,048,346

**Cash Flow Statement
for the year ended 30 June 2020**

	Notes	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
Cash flows from operating activities			
Cash generated from operations	27	818,092	(754,752)
Interest paid		(55,000)	-
Net cash from operating activities		<u>763,092</u>	<u>(754,752)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,612)	(8,435)
Interest received		10,264	3,140
Net cash from investing activities		<u>5,652</u>	<u>(5,295)</u>
Cash flows from financing activities			
Purchase of short term investments		(120,000)	(180,000)
Disposal of short term investments		-	210,000
Net cash from financing activities		<u>(120,000)</u>	<u>30,000</u>
Increase/(decrease) in cash and cash equivalents		<u>648,744</u>	<u>(730,047)</u>
Cash and cash equivalents at beginning of year	28	753,893	1,483,940
Cash and cash equivalents at end of year	28	<u>1,402,637</u>	<u>753,893</u>

**Notes to the Financial Statements
for the year ended 30 June 2020**

1. **Statutory information**

IOR Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 02373644 and registered office address is Otterman House, 12 Petersham Road, Richmond, Surrey, TW10 6UW.

2. **Accounting policies**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Group financial statements have not been prepared as all of the company's subsidiaries are permitted to be excluded from group financial statements by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Going concern

The Directors have identified no material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

In response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they have taken to mitigate the impact. The business has also made use of Government assistance available including the Job Retention Scheme. Based on these assessments, given the measures undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover represents amounts receivable for goods and services provided in the year, in line with the company's stated principal activity, and is stated net of VAT.

When the outcome of a contract can be estimated reliably, contract costs and turnover are recognised by reference to stage of completion at the balance sheet date. Stage of completion is measured by reference to progress against a contracted milestone programme.

Unbilled revenue is included as amounts recoverable on contracts within debtors.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - 25% on reducing balance

Government grants

The accruals model has been adopted in recognising grant income relating to the Coronavirus Job Retention Scheme (CJRS). Grant income has been recognised in the same period in which the expense has been incurred and included in other operating income.

Investment property

Investment properties are included in the balance sheet at their fair value.

Deferred tax is accounted for to reflect the estimated tax on the capital gain that would arise on sale of the investment properties. The effect of the provision for deferred tax is recognised in the profit and loss account.

Stock

Stock, comprising finished furniture goods relating to fit-outs, are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Notes to the Financial Statements - continued
for the year ended 30 June 2020

2. Accounting policies - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Investments

Current and fixed asset investments held are shown at fair value less any provision for impairment.

Long-term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

3. Turnover

The turnover and loss (2019 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
United Kingdom	9,956,457	17,174,298
	<u>9,956,457</u>	<u>17,174,298</u>

Notes to the Financial Statements - continued
for the year ended 30 June 2020

4. Other operating income	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
Discounts received	562	-
Rents received	113,165	136,327
Insurance claim	-	2,000,000
Government grant income	55,332	-
	<u>169,059</u>	<u>2,136,327</u>

5. Employees and directors	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
Wages and salaries	2,020,647	3,673,185
Social security costs	184,497	385,509
Other pension costs	39,714	94,515
	<u>2,244,858</u>	<u>4,153,209</u>

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

Year ended 30/6/20	Period 1/1/18 to 30/6/19
<u>31</u>	<u>35</u>

6. Directors' emoluments	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
Directors' remuneration	313,505	800,705
Directors' pension contributions to money purchase schemes	13,025	52,098

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

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
Emoluments etc	161,969	291,145
Pension contributions to money purchase schemes	<u>1,496</u>	<u>17,313</u>

Notes to the Financial Statements - continued
for the year ended 30 June 2020

7. Interest payable and similar expenses

	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
Interest payable	<u>55,000</u>	<u>-</u>

8. (Loss)/profit before taxation

The loss (2019 - profit) is stated after charging:

	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
Other operating leases	266,186	431,473
Depreciation - owned assets	17,258	29,117
Auditors' remuneration	12,277	11,350
Foreign exchange differences	<u>53</u>	<u>275</u>

9. Taxation

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
Deferred tax	-	(198,529)
Tax on (loss)/profit	<u>-</u>	<u>(198,529)</u>

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
(Loss)/profit before tax	<u>(699,737)</u>	<u>468,665</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(132,950)	89,046
Effects of:		
Expenses not deductible for tax purposes	3,350	11,099
Utilisation of tax losses	1,309	-
Other income not taxable	-	(380,000)
Other timing differences	<u>128,291</u>	<u>81,326</u>
Total tax credit	<u>-</u>	<u>(198,529)</u>

Notes to the Financial Statements - continued
for the year ended 30 June 2020

10.	Tangible fixed assets	Office equipment £
	Cost	
	At 1 July 2019	401,919
	Additions	<u>4,612</u>
	At 30 June 2020	406,531
	Depreciation	
	At 1 July 2019	330,275
	Charge for year	<u>17,258</u>
	At 30 June 2020	347,533
	Net book value	
	At 30 June 2020	<u>58,998</u>
	At 30 June 2019	<u>71,644</u>

11.	Fixed asset investments	Shares in group undertakings £
	Cost	
	At 1 July 2019 and 30 June 2020	<u>5,000</u>
	Net book value	
	At 30 June 2020	<u>5,000</u>
	At 30 June 2019	<u>5,000</u>

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

Anderson & Brown (Bishopsgate) Limited

Registered office:

Nature of business: Dormant

Class of shares:	%		
Ordinary	holding		
	100.00		
		2020	2019
		£	£
Aggregate capital and reserves		<u>5,000</u>	<u>5,000</u>

Interiors of Richmond Limited

Registered office:

Nature of business: Dormant

Class of shares:	%		
Ordinary	holding		
	100.00		
		2020	2019
		£	£
Aggregate capital and reserves		<u>2</u>	<u>2</u>

Notes to the Financial Statements - continued
for the year ended 30 June 2020

12.	Investment property		Total
			£
	Fair value		
	At 1 July 2019 and 30 June 2020		<u>625,000</u>
	Net book value		
	At 30 June 2020		<u>625,000</u>
	At 30 June 2019		<u>625,000</u>
	Fair value at 30 June 2020 is represented by:		
			£
	Valuation in 2009		199,336
	Valuation in 2010		12,695
	Valuation in 2014		147,305
	Valuation in 2016		25,000
	Cost		<u>240,664</u>
			<u>625,000</u>
13.	Stocks		
		2020	2019
		£	£
	Finished goods	<u>115,788</u>	<u>100,211</u>
14.	Debtors		
		2020	2019
		£	£
	Amounts falling due within one year:		
	Trade debtors	984,858	1,046,622
	Other debtors	20,922	2,014,591
	Prepayments and accrued income	<u>1,387,712</u>	<u>1,020,080</u>
		<u>2,393,492</u>	<u>4,081,293</u>
	Amounts falling due after more than one year:		
	Other debtors	<u>192,355</u>	<u>192,356</u>
	Aggregate amounts	<u>2,585,847</u>	<u>4,273,649</u>
15.	Current asset investments		
		2019	2019
		£	£
	Listed investments	<u>148,616</u>	<u>41,459</u>

Notes to the Financial Statements - continued
for the year ended 30 June 2020

16.	Creditors: amounts falling due within one year		
		2020	2019
		£	£
	Trade creditors	1,435,545	2,518,689
	Amounts owed to group undertakings	5,000	5,000
	VAT	366,961	123,141
	Other creditors	459,180	300,942
	Accruals and deferred income	1,241,774	807,748
		<u>3,508,460</u>	<u>3,755,520</u>

17.	Creditors: amounts falling due after more than one year		
		2020	2019
		£	£
	Other creditors	<u>350,000</u>	<u>350,000</u>

18. **Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

		2020	2019
		£	£
	Within one year	281,500	281,500
	Between one and five years	953,000	1,039,500
	In more than five years	34,726	227,500
		<u>1,269,226</u>	<u>1,548,500</u>

During the year a break clause in the lease was exercised and a surrender payment of £94,760 was paid on 23 December 2020. Due to this, the IOR Group Limited are no longer committed to an amount of £1,009,726 which is included within the operating lease note above.

19.	Provisions for liabilities		
		2020	2019
		£	£
	Deferred tax		
	On capital gain	<u>35,080</u>	<u>35,080</u>
			Deferred tax
			£
	Balance at 1 July 2019		35,080
	Balance at 30 June 2020		<u>35,080</u>

20. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
400	A shares	£1	400	400
200	B shares	£1	200	200
			<u>600</u>	<u>600</u>

Notes to the Financial Statements - continued
for the year ended 30 June 2020

21. Reserves

	Retained earnings £	Capital redemption reserve £	Share based payment reserve £	Totals £
At 1 July 2019	1,703,507	400	25,749	1,729,656
Deficit for the year	(699,737)			(699,737)
Share based payment release	-	-	17,827	17,827
At 30 June 2020	<u>1,003,770</u>	<u>400</u>	<u>43,576</u>	<u>1,047,746</u>

At the year end £362,932 (2019: £362,932) of the total retained earnings are non-distributable, relating to fair value movements on fixed and current asset investments and the associated deferred tax movements.

22. Pension commitments

The company operates a defined contribution pension scheme for employees. The annual contributions payable charged to the profit and loss account in the period amounted to £39,714 (2019: £94,515). There was no balance outstanding at the year end.

23. Related party disclosures

At the year end included in creditors due in less than one year is £200,000 (2019: £200,000) and creditors due in more than one year is £350,000 (2019: £350,000) owed to a director.

24. Post balance sheet events

Since the year end the company has acquired 100 Ordinary B shares for £1,000,000 paid for out of distributable profits.

25. Ultimate controlling party

M M Randall was the ultimate controlling party at the balance sheet date by virtue of his majority shareholding.

26. Share-based payment transactions

Enterprise Management Incentive
Scheme

Date of grant	27 August 2013
Number granted	108
Weighted average exercise price	£ 1,651
Contractual life	10 years

During the period ended 31 December 2013, the Company established an Enterprise Management Incentive (EMI) scheme which will vest at the earlier of the sale of the company, the sale of the company's business, a fundamental re-organisation or 10 years from the grant date.

The estimated fair value of each share option granted in the EMI scheme is £1,651 which has been calculated based on the average profit before tax of the Company, for the previous 3 years.

During the period to 30 June 2020, an expense of £17,827 (2020: nil) has been recognised in the profit and loss account. No options have been exercised at the end of the reporting period.

Notes to the Financial Statements - continued
for the year ended 30 June 2020

27. Reconciliation of (loss)/profit before taxation to cash generated from operations

	Year ended 30/6/20 £	Period 1/1/18 to 30/6/19 £
(Loss)/profit before taxation	(699,737)	468,665
Depreciation charges	17,258	29,116
Share based payment expense	17,827	(25,750)
Effect of fair value valuations	12,843	3,596
Finance costs	55,000	-
Finance income	(10,264)	(3,140)
	<u>(607,073)</u>	<u>472,487</u>
Increase in stocks	(15,577)	(5,196)
Decrease in trade and other debtors	1,687,802	969,943
Decrease in trade and other creditors	(247,060)	(2,191,986)
Cash generated from operations	<u><u>818,092</u></u>	<u><u>(754,752)</u></u>

28. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2020

	30/6/20 £	1/7/19 £
Cash and cash equivalents	<u>1,402,637</u>	<u>753,893</u>

Period ended 30 June 2019

	30/6/19 £	1/1/18 £
Cash and cash equivalents	<u>753,893</u>	<u>1,483,940</u>

29. Analysis of changes in net funds

	At 1/7/19 £	Cash flow £	At 30/6/20 £
Net cash			
Cash at bank and in hand	<u>753,893</u>	<u>648,744</u>	<u>1,402,637</u>
	<u>753,893</u>	<u>648,744</u>	<u>1,402,637</u>
Liquid resources			
Current asset investments	<u>41,459</u>	<u>107,157</u>	<u>148,616</u>
	<u>41,459</u>	<u>107,157</u>	<u>148,616</u>
Total	<u><u>795,352</u></u>	<u><u>755,901</u></u>	<u><u>1,551,253</u></u>

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