

Bloom Procurement Services Limited

Report and Financial Statements

31 March 2019



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Registered No: 08045123

Directors

A J Jacobs

R I Levene (resigned 20/03/19)

D Cheesebrough (appointed 08/05/18 & resigned 15/04/2019)

Auditors

Crowe U.K. LLP

St. Bride's House

10 Salisbury Square London

EC4Y 8EH

Registered Office

Point 5

New Eden House

Fletcher Road

Gateshead

United Kingdom

NE8 2ET

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Strategic Report (continued)

Registered Number: 08045123

The directors present their strategic report for the year ended 31 March 2019.

The principal activity of the company during the year under review was that of providing neutral vendor solutions for consultancy services to the public sector.

Review of the business

The year ended 31 March 2019 was another year of significant growth for Bloom Procurement Services Limited, with turnover increasing by 87% from £92m to £173m. Over the course of the financial year the business invested heavily in growing the Supplier Community from 3,815 to 6,343. We are particularly proud that 70% of our Suppliers operate in the SME market and we can prioritize opportunities for local businesses throughout the UK as part of our Social Value programme. We have sustained our turnover growth through engaging with our Public Sector Customers and in the year ended 31 March 2019, we increased our Customer base by 36% and our projects increased from 1,247 to 2,170, a year on year increase of 74%.

Both turnover and number of buying organisations exceeded all expectations and we envisage that the investment made in this financial year will facilitate significant future growth.

Growth	2016/17	2017/18	2018/19
Buying organisations	100	223	303
Supplier community	2,500	3,815	6,343
Projects	929	1,247	2,170
Turnover	£52m	£92m	£173m

Following a highly successful growth period, in November 2018, the business was recognised in the North East's largest 200 companies list for the first time, ranked 138 out of 200. In recognition for our commitment to supporting the local economy, in May 2019 Bloom was awarded the Let's Grow prize at the North East Business Awards for Tyneside and Northumberland. The award recognizes rapid growth companies, demonstrating increases in turnover, profitability, market share and headcount. In addition, in June 2019, the business was named one of the top 50 employers in the North East region, cementing Bloom's position as an employer of choice within the region.

Over the course of the last few years, the company has made a significant investment to drive turnover and growth at the expense of profitability. During the financial year, the Directors have continued to make large investments in the senior leadership team and the core technology platforms to ensure that the business has the core foundations to support future, sustainable growth. Despite this level of investment, we are pleased to report that the company has generated profits before exceptional items of £584,984, this is in comparison to a loss of £87,225 in the previous financial year, therefore demonstrating a turnaround in profitability of £672,209. Exceptional costs incurred in the year mainly related to business restructuring, share reorganisation and employment related matters.

On 21 March 2019, V4 UK Holdings Limited, the ultimate parent company, purchased the 20.21% shareholding owned by Robert Levene as part of the share reorganisation.

Sustained Growth

We are delighted to announce that Bloom has been awarded as the single provider to the third iteration of the NEPRO Framework Agreement in partnership with NEPO (North East Procurement Organisation) following a highly successful tender process. The NEPRO3 contract commenced on 1 September 2019 and secures revenues for an initial four-year agreement and can be extended for a further four years, subject to automatic extension key performance indicators being achieved.

Strategic Report (continued)

Registered Number: 08045123

Continued Investment

During the financial year ended 31 March 2019 the business made significant investments in IT Infrastructure with the implementation of our second iteration of our procurement platform Provide 2.0. The platform is now being fully utilised across our ADIRA framework and will be operational for all Customers by March 2020. The system will significantly improve operational efficiency throughout the business and enhance our service offering for both Customers and Suppliers.

Future Growth

The increased scale and complexity of the business continues to require constant evaluation of investment decisions to ensure sustained growth and appropriate capability and capacity is available. The directors are currently reviewing the senior leadership structure of the business to ensure we have the right level of resource to deliver our ambitious three-year growth plans and targets.

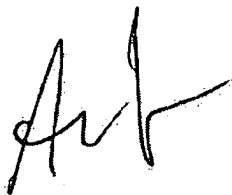
Principal risks and uncertainties

The directors anticipate that the company will be awarded various framework contracts which will allow it not only to maintain its current market position but will also extend its reach across the entire public sector. The directors have also been exploring other routes to market that complement the arrangements with NEPO, currently Bloom have been awarded a framework for IT and Digital Service for National Procurement Service for Wales, have been successful on several Lots for Education, Business Consultancy Services and Procurement, Supply Chain and Commercial Consultancy Services of the of the Crown Commercial Services framework. The Directors have several other potential routes and are in advanced discussions to extend the Company's ability to act as a neutral vendor in provision of consultancy services to the public sector.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the Company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

On behalf of the Board:



A J Jacobs

Director

04 October 2019

Directors' Report

Registered Number: 08045123

The Directors present their report with financial statements of the Company for the year ended 31 March 2019.

Directors of the company

The Directors who served the Company during the year and to the date of this report were as follows:

A J Jacobs

R I Levene (resigned 20/03/19)

D Cheesebrough (appointed 08/05/18 and resigned 15/04/2019)

Dividends

No dividends have been proposed or paid in the current year or prior year.

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

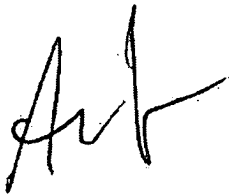
Going concern

The Directors consider the going concern basis to be appropriate having paid due regard to the company's projected results during the twelve months from the date the financial statements are approved. Further detail is included in note 1.

Re-appointment of auditors

A resolution to reappoint Crowe U.K. LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board:



A J Jacobs

Director

04 October 2019

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 including Financial Reporting Standard 102 'the Financial Reporting Standard applicable to 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 of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report

to the members of Bloom Procurement Services Limited

Opinion

We have audited the financial statements of Bloom Procurement Services Limited for the year ended 31 March 2019 which comprise the Income statement, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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.

Independent Auditor's Report

to the members of Bloom Procurement Services Limited (continued)

Other information

The directors are responsible for the other information.

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 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.

Independent Auditor's Report

to the members of Bloom Procurement Services Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

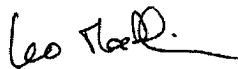
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Leo Malkin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

04 October 2019

Income statement

for the year ended 31 March 2019

	<i>Notes</i>	2019 £	2018 £
Turnover	2	173,283,384	92,343,941
Cost of sales		(167,195,407)	(89,300,161)
Gross profit		<u>6,087,977</u>	<u>3,043,780</u>
Administrative expenses		(5,502,993)	(3,131,005)
Profit (loss) before exceptionals		584,984	(87,225)
Exceptional costs	3	(415,175)	-
Operating profit (loss)	4	<u>169,809</u>	<u>(87,225)</u>
Interest received		16,024	43
Interest payable and similar charges		-	(661)
Profit (loss) on ordinary activities before taxation		<u>185,833</u>	<u>(87,843)</u>
Tax (charge) credit on profit on ordinary activities	7	(7,141)	23,182
Profit (loss) on ordinary activities after taxation		<u><u>178,692</u></u>	<u><u>(64,661)</u></u>

All amounts relate to continuing activities.

There were no recognised gains or losses other than the profit attributable to shareholders of the Company of £178,692 in the year ended 31 March 2019 and the loss of £64,661 in the year ended 31 March 2018. A Statement of Comprehensive Income has therefore not been prepared.

Statement of changes in equity

at 31 March 2019

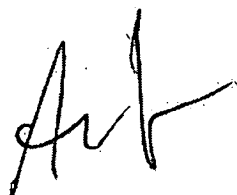
	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 April 2017	300,094	(97,651)	202,443
Loss for the year	-	(64,661)	(64,661)
At 31 March 2018	300,094	(162,312)	137,782
Profit for the year	-	178,692	178,692
At 31 March 2019	300,094	16,380	316,474

Statement of financial position

at 31 March 2019

	<i>Notes</i>	<i>2019</i> £	<i>2018</i> £
Fixed assets			
Intangible assets	8	220,296	224,267
Tangible assets	9	98,843	72,981
		<u>319,139</u>	<u>297,248</u>
Current assets			
Debtors	10	22,769,418	19,919,325
Cash at bank and in hand		4,756,649	1,377,275
		<u>27,526,067</u>	<u>21,296,600</u>
Creditors: amounts falling due within one year	11	(27,477,672)	(21,413,690)
Net current assets/(liabilities)		<u>48,395</u>	<u>(117,090)</u>
Total assets less current liabilities		<u>367,534</u>	<u>180,158</u>
Provision for deferred tax	7	(51,060)	(42,376)
Net assets		<u><u>316,474</u></u>	<u><u>137,782</u></u>
Capital and reserves			
Called up share capital	13	300,094	300,094
Profit and loss account		16,380	(162,312)
Equity shareholders' liabilities		<u><u>316,474</u></u>	<u><u>137,782</u></u>

The financial statements were approved by the Board of Directors on 04 October 2019 and were authorised for issue by:



A J Jacobs
Director

Notes to the financial statements

at 31 March 2019

1. Accounting policies

Statement of compliance

Bloom Procurement Services Limited is a limited liability company incorporated in England and Wales (registration number 08045123). The registered office is Point 5 New Eden House, Fletcher Road, Gateshead, United Kingdom, NE8 2ET.

The Company's financial statements have been prepared in compliance with FRS102 as it applies to the financial statements of the Company for the year ended 31 March 2019.

Functional currency and presentation currency

The Company's functional currency and the presentational currency of the financial statements is pounds sterling and all figures have been rounded to the nearest pound.

Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors have taken notice of the Financial Report Council Guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2016' which requires the reasons for this decision to be explained.

The company had net current assets/(liabilities) of £48,395 at 31 March 2019 (2018: £ (117,090)).

The Directors, having made due and careful enquiry, believe the Company have sufficient working capital to execute their ongoing activities, having considered the terms of trade entered into with both customers and suppliers. Based on this information, the Directors have made an informed judgement, at the time of approving these financial statements, that there is a reasonable expectation that the Company has adequate resources to continue to operate for at least the 12 months from the date of approval of these financial statements.

Bloom has been awarded as the single provider to the third iteration of the NEPRO Framework Agreement in partnership with NEPO (North East Procurement Organisation) following a highly successful tender process. The NEPRO3 contract commenced on 1 September 2019 and secures revenues for an initial four-year agreement and can be extended for a further four years, subject to automatic extension key performance indicators being achieved.

Although, the business is currently reliant on its Framework Agreement with NEPO (North East Procurement Organisation) the directors anticipate that the company will be awarded various framework contracts which will allow it not only to maintain its current market position but will also extend its reach across the entire public sector. The directors have been exploring other routes to market that complement the arrangements with NEPO, currently Bloom have been awarded a framework for IT and Digital Service for National Procurement Service for Wales, have been successful on several Lots for Education, Business Consultancy Services and Procurement, Supply Chain and Commercial Consultancy Services of the of the Crown Commercial Services framework. The Directors have several other potential routes and are in advanced discussions to extend the Company's ability to act as a neutral vendor in provision of consultancy services to the public sector.

As a result, the Directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Development expenditure

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount. Development expenditure is amortised over its expected useful life of 5 years.

Notes to the financial statements

at 31 March 2019

1. Accounting policies (continued)

Exceptional costs

Cost that are not incurred in line with ordinary trading activities have been classified as exceptional. This includes but is not limited to restructuring, historical and legal items.

Fixed assets

All fixed assets are recorded at cost.

Depreciation is provided on all tangible fixed assets, excluding land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Leasehold improvements	-	estimated life of the improvements
Computer equipment	-	3 years straight line
Fixtures and fittings	-	3 years straight line

Depreciation

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be reasonable.

Debtors

Debtors do not carry any interest and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in the Income Statement when there is objective evidence that the asset is impaired.

Cash and cash equivalents

These comprise cash at bank and other short term highly liquid bank deposits with an original maturity of three months or less.

Creditors

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

Interest income

Interest income is recognised in the Income Statement using the effective interest method.

Notes to the financial statements

at 31 March 2019

1. Accounting policies (continued)

Taxation

Tax is recognised in the Income Statement, except that a change 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Judgements in applying accounting policies and key sources of estimation uncertainty

The intangible asset relates to IT systems used currently within the NEPO and ADIRA framework agreements. We have recently made a significant investment in our Provide 2.0 technology platform to support our future Frameworks and we envisage that all Customers will be operating on the new platform by March 2020. On this basis, the amortisation of the existing Provide 1.0 platform has been accelerated and it will be fully written down by March 2020.

The directors consider the provisions against goodwill, going concern, trade and intercompany debtors being areas requiring the use of management judgment.

The directors do not consider there to be any key other sources of estimation and uncertainty when applying the accounting policies.

Cash flow statement

The Company has taken advantage of the exemption conferred by FRS102 with the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).

2. Turnover

Turnover represents the value of fee income and recharged costs and disbursements recoverable during the year excluding VAT all of which arose in the United Kingdom.

3. Exceptional costs

	2019	2018
	£	£
Employee related restructuring	106,045	-
Corporate and business restructuring	309,150	-
	<hr/> 415,195	<hr/> -

Notes to the financial statements

at 31 March 2019

4. Operating profit

	2019	2018
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	85,250	10,386
Development cost amortisation	104,468	58,520
Auditor's remuneration – audit services	29,591	35,960
Auditor's remuneration – other services taxation	4,800	-
	<u> </u>	<u> </u>

5. Directors' emoluments

	2019	2018
	£	£
Emoluments	118,393	74,061
	<u> </u>	<u> </u>

6. Staff costs

	2019	2018
	£	£
Wages and salaries	3,298,821	1,543,192
Social security costs	303,240	136,530
Other pension costs	33,481	7,342
	<u> </u>	<u> </u>
	<u>3,635,542</u>	<u>1,687,064</u>

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

	2019	2018
	No.	No.
Full time employees	51	30
	<u> </u>	<u> </u>

Notes to the financial statements

at 31 March 2019

7. Tax

(a) Tax charge on (loss) / profit on ordinary activities

	2019	2018
	£	£
UK corporation tax:		
UK corporation tax at 19.00% (PY:19.00%)	27,571	-
Group relief payable/(receivable)	11,970	(36,531)
Adjustments in respect of prior years	-	(16,573)
Research and development	(41,084)	-
	<u>(1,543)</u>	<u>(53,104)</u>
Deferred tax:		
Origination and reversal of timing differences	3,793	29,922
Adjustments in respect of prior periods	4,891	-
	<u>8,684</u>	<u>29,922</u>
Total deferred tax	8,684	29,922
	<u>7,141</u>	<u>(23,182)</u>
Total tax charge (credit)	<u><u>7,141</u></u>	<u><u>(23,182)</u></u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is different to the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are reconciled below:

	2019	2018
	£	£
Profit / (Loss) on ordinary activities before tax	185,834	(87,843)
	<u>185,834</u>	<u>(87,843)</u>
Profit / (Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	35,308	(16,690)
Fixed assets differences	1,459	-
Disallowable expenses and non-taxable income	7,013	6,699
Group relief surrendered/(claimed)	(11,970)	36,531
Payment/(Receipt) for group relief	11,970	(36,531)
Prior year group relief compensation	-	(21,573)
Tax charge in previous period	4,891	-
Tax rate changes	(446)	(2,795)
Deferred tax not recognised	-	6,165
Adjustments in respect of prior year	-	5,012
Research and development	(41,084)	-
	<u>7,141</u>	<u>(23,182)</u>
Tax charge (credit) on profit on ordinary activities	<u><u>7,141</u></u>	<u><u>(23,182)</u></u>

Notes to the financial statements

at 31 March 2019

7. Tax (continued)

(c) Provision for deferred tax

The deferred taxation provided in the financial statements at 17% (2018: 17%) is as follows:

	2019	2018
	£	£
Accelerated capital allowances	(52,331)	(42,638)
Other timing differences	1,271	262
	<u>(51,060)</u>	<u>(42,376)</u>
Deferred tax liability	<u>(51,060)</u>	<u>(42,376)</u>
		£
At 1 April 2018		(42,376)
Charge for the year (Note 6 (a))		(8,684)
		<u>(51,060)</u>
At 31 March 2019		<u>(51,060)</u>

(d) Factors affecting future tax charge

The Chancellor announced that the main UK rate of corporation tax rate will remain at 19% effective from 1 April 2017. A further reduction to 17%, via a 2% reduction, at 1 April 2020. The reduction in the corporation tax rates to 17% was included within the Finance Act that was substantively enacted on 6 September 2016. Deferred tax has been provided at 17% as this is the rate at which timing differences are expected to reverse.

Notes to the financial statements

at 31 March 2019

8. Intangible assets

	Development Expenditure
	<i>£</i>
Cost:	
At 1 April 2018	331,531
Additions	98,063
	<hr/>
At 31 March 2019	429,594
Amortisation:	
At 1 April 2018	107,264
Provided during the year	102,034
	<hr/>
At 31 March 2019	209,298
Net book value:	
At 31 March 2019	<u>220,296</u>
At 31 March 2018	<u>224,267</u>

Notes to the financial statements

at 31 March 2019

9. Tangible fixed assets

	Furniture & Equipment
	<i>£</i>
Cost:	
At 1 April 2018	89,037
Additions	114,943
Disposals	(1,031)
	<hr/>
At 31 March 2019	202,949
Depreciation:	
At 1 April 2018	16,056
Provided during the year	88,464
Disposals	(414)
	<hr/>
At 31 March 2019	104,106
Net book value:	
At 31 March 2019	<hr/> <hr/> 98,843
At 31 March 2018	<hr/> <hr/> 72,981

Notes to the financial statements

at 31 March 2019

10. Debtors

	2019	2018
	£	£
Unpaid share capital	297,000	297,000
Trade debtors	15,444,090	13,213,588
Other debtors	48,458	48,964
Directors loan accounts	554,293	572,757
Tax and VAT receivable	172,475	315,482
Prepayments and accrued income	5,105,481	5,233,308
Amounts receivable from fellow group undertakings	1,147,621	238,226
	<u>22,769,418</u>	<u>19,919,325</u>

11. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	21,022,023	20,300,382
Amounts owed to group undertakings	-	797
Corporation tax	53,487	126,569
Other taxes and social security costs	629,449	68,118
Accruals and deferred income	5,772,713	917,824
	<u>27,477,672</u>	<u>21,413,690</u>

12. Financial Commitments

(i) Lease commitments

Future commitments under non-cancellable operating leases are as follows:

Land and Buildings

	2019	2018
	£	£
Not later than one year	45,048	68,960
	<u>45,048</u>	<u>68,960</u>

13. Share capital

The allotted and issued share capital of the Company consisted of:

Number	Class	Paid Status	Nominal Value	2019	2018
				£	£
750	A Ordinary	Fully paid	£0.10	75	75
190	B Ordinary	Fully paid	£0.10	19	19
300,000	C Ordinary	1% paid	£0.10	300,000	300,000
				<u>300,094</u>	<u>300,094</u>
				=====	=====

Notes to the financial statements

at 31 March 2019

14. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The unpaid contributions outstanding at the year end, included in accruals are £7,476 (2018: £1,542).

15. Controlling party

The ultimate parent undertaking is V4 UK Holdings Limited, a company incorporated in England and Wales. In the directors' opinion the ultimate controlling party is Adam Jacobs.

16. Directors advances, credits and guarantees

	2019	2018
	£	£
R I Levene		
Balance outstanding as at start of the year	392,530	126,848
Amounts advanced	186,247	265,682
Amounts repaid	(160,974)	-
Balance outstanding at end of the year	<u>417,803</u>	<u>392,530</u>
	2019	2018
	£	£
A J Jacobs		
Balance outstanding as at start of the year	180,227	169,000
Amounts advanced	210,489	229,389
Amounts repaid	(254,227)	(218,162)
Balance outstanding at end of the year	<u>136,489</u>	<u>180,227</u>

17. Related party transactions

The company was supplied consultancy services by V4 Services Limited. V4 Services Limited also charged the company £160,859 (2018: £349,889) for operational services supplied.

	2019	2018
	£	£
Amounts due from related party at the balance sheet date	348,377	1,597
Amounts due from parent company at the balance sheet date	<u>799,243</u>	<u>235,832</u>