

Company Registration No. 08665394 (England and Wales)

INTERR LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

INTERR LIMITED

COMPANY INFORMATION

Directors	J G Ritter R G Arnold M S Tabori C J Dean
Secretary	C J Dean
Company number	08665394
Registered office	82 St John Street London EC1M 4JN
Auditor	Beavis Morgan Audit Limited 82 St John Street London EC1M 4JN

INTERR LIMITED

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INTERR LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present the strategic report for the year ended 30 June 2021.

Fair review of the business

The key financial results are as follows:

	2021	2020
Turnover	£53,990,436	£37,883,039
Increase / (decrease) in turnover	42.5%	253.7%
Gross profit	£4,571,522	£6,983,693

The directors are pleased with the results, in particular having increased turnover by 42.5% and improving the net operating profit by 156.7%. During the year the business continued to integrate further contracts. From April 2020 monthly revenues increased 50% as a result of Covid-19 which persisted throughout the financial year. In August 2021 the company acquired 90% of the share capital of Interr Security GmbH, a company incorporated in Germany. The company's German, Dutch and Nordic revenues have been facilitated by Interr Security GmbH from October 2021.

The group's division of services by turnover are as follows:

	2021	2020
Security	£53,800,493	£31,947,395
Cleaning	£62,210	£479,281
Other income	£127,733	£7,210
Management charge	£nil	£5,449,153

Principal risks and uncertainties

The company's principal financial instruments comprise bank balances, invoice discounting facilities, trade debtors and trade creditors, and its approach to managing risks applicable to the financial instruments concerned is shown below:

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of invoice discounting facilities with set rates of discounting charges. Invoice discounting is managed in tandem with trade debtors. The company manages the liquidity risk by ensuring there are sufficient funds to meet payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The company experienced little in the way of currency effect on revenue and margins as the pound exchange rate against the euro average rate was little changed at 1.13 throughout the year, compared to 1.14 a year earlier. Towards the end of the year, as the pound strengthened to 1.16, compared to 1.11 at the beginning of the year, the company has suffered some currency losses as a result of revaluations at the year end. Approximately 50% of the company turnover is generated in Euros, contributing approximately 25% of gross profit. The directors are aware that any future strengthening of the pound against the euro will reduce turnover and profits generated from future European business.

INTERR LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Section 172 statement

The directors recognise that they must act in good faith, to benefit the long term success of the company and group.

The views and the impact of the company's activities on its stakeholders, including employees, customers and suppliers, are always considered when making relevant business decisions. The company's ultimate objective remains to be maximising returns for the members, but to achieve this through methods which minimise the impact on the environment and wider social climate.

Maintaining high standards of business conduct is considered to be vital to the company as it relies on relationships with other businesses who demand high standards in all areas of operations.

INTERR LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

On behalf of the board

C J Dean
Director
30 June 2022

INTERR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company continued to be that of the provision of security and cleaning services.

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £500,002. The directors do not recommend payment of a further dividend.

No preference dividends were paid.

Directors

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

J G Ritter
R G Arnold
M S Tabori
C J Dean

Disabled persons

It is the company's policy to ensure that equality of opportunity is provided to all employees and those seeking employment and to provide opportunities and make all reasonable adjustments to support the employment, training and development and retention of those with a disability.

Employee involvement

Employee involvement is considered to be essential to the success of the organisation. The board values the contributions made by the company's employees, and facilitates this through the medium of monthly team meetings, appraisals, and staff surveys. The company distributes a monthly newsletter to keep employees informed of relevant organisational and industry news, specifically highlighting its appreciation of employee contributions to encourage further involvement.

Learning and development is key to supporting staff in the delivery of our objectives and the company encourages the use of internal and external courses for the achievement of relevant qualifications.

Auditor

Beavis Morgan Audit Limited were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Energy and carbon report

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

INTERR LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

On behalf of the board

C J Dean
Director

30 June 2022

INTERR LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

The directors are responsible for preparing the annual 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;
- 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 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.

INTERR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERR LIMITED

Opinion

We have audited the financial statements of Interr Limited (the 'company') for the year ended 30 June 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 30 June 2021 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. 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

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 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.

Other information

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the 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.

INTERR LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERR 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 and 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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.

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

INTERR LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF INTERR LIMITED

Capability of the audit in detecting irregularities, including fraud

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, company law, tax and pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include environmental regulations and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

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.

Richard Thacker (Senior Statutory Auditor)
For and on behalf of Beavis Morgan Audit Limited

30 June 2022

Chartered Accountants
Statutory Auditor

82 St John Street
London
EC1M 4JN

INTERR LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Year ended 30 June 2021 £	Period ended 30 June 2020 £
Turnover	3	53,990,436	37,883,039
Cost of sales		(49,418,914)	(30,899,346)
Gross profit		4,571,522	6,983,693
Administrative expenses		(3,876,708)	(6,462,717)
Other operating income		2,119,359	575,461
Operating profit	4	2,814,173	1,096,437
Interest payable and similar expenses	8	(82,795)	(44,576)
Profit before taxation		2,731,378	1,051,861
Tax on profit	9	(472,618)	(192,114)
Profit for the financial year		2,258,760	859,747

The profit and loss account has been prepared on the basis that all operations are continuing operations.

INTERR LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Year ended 2021 £	Period ended 2020 £
Profit for the year	2,258,760	859,747
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,258,760</u>	<u>859,747</u>

INTERR LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		66,294		75,919
Tangible assets	12		44,083		48,954
			<u>110,377</u>		<u>124,873</u>
Current assets					
Debtors - deferred tax	17	49,533		36,199	
Debtors - other	13	13,043,737		11,204,216	
Cash at bank and in hand		654,461		755,852	
		<u>13,747,731</u>		<u>11,996,267</u>	
Creditors: amounts falling due within one year	14	(11,582,293)		(11,474,141)	
Net current assets			<u>2,165,438</u>		<u>522,126</u>
Total assets less current liabilities			<u>2,275,815</u>		<u>646,999</u>
Creditors: amounts falling due after more than one year	15		(104,167)		(234,109)
Net assets			<u><u>2,171,648</u></u>		<u><u>412,890</u></u>
Capital and reserves					
Called up share capital	19		10,533		10,533
Share premium account			243,195		243,195
Profit and loss reserves			1,917,920		159,162
Total equity			<u><u>2,171,648</u></u>		<u><u>412,890</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 June 2022 and are signed on its behalf by:

C J Dean
Director

Company Registration No. 08665394

INTERR LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Share premium account	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 8 July 2019	10,533	243,195	(528,085)	(274,357)
Period ended 30 June 2020:				
Profit and total comprehensive income for the period	-	-	859,747	859,747
Dividends	10	-	(172,500)	(172,500)
Balance at 30 June 2020	10,533	243,195	159,162	412,890
Year ended 30 June 2021:				
Profit and total comprehensive income for the year	-	-	2,258,760	2,258,760
Dividends	10	-	(500,002)	(500,002)
Balance at 30 June 2021	10,533	243,195	1,917,920	2,171,648

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Interr Limited is a private company limited by shares incorporated in England and Wales. The registered office is 82 St John Street, London, EC1M 4JN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

Under Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they prove to be defective.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Darkstorm Trading Group Limited. These consolidated financial statements are available from its registered office, 82 St John St, London, EC1M 4JN.

1.2 Going concern

The directors have concluded that the company will have sufficient funds to maintain its working capital requirements and enable it to settle its liabilities as and when they fall due for payment for the period of at least 12 months following the date of approval of these financial statements. Accordingly, the directors consider that it is appropriate to apply the going concern concept in preparing the financial statements.

1.3 Turnover

Revenue represents amounts receivable for the provision of security, cleaning, and risk management services net of VAT and trade discounts and is recognised at the point of provision of the services.

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

1.4 Intangible fixed assets - goodwill

Acquired goodwill is stated at cost and is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% straight line
Fixtures, fittings & equipment	33% straight line
Computer equipment	33% straight line
Motor vehicles	20%/33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand.

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Preference shares where redemption and payment of dividends are at the discretion of the directors are classified as equity instruments.

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Recoverability of debtors

The management makes an estimate of the recoverable value of trade and other debtors. When assessing the provision against trade and other debtors, management considers factors including the ageing profile of the debtors as compared with contractual credit periods given and objective evidence concerning the financial standing of debtors.

Deferred tax asset

Judgement is required in estimating the extent to which deferred tax assets are recoverable.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	£	£
Turnover analysed by class of business		
Security	53,800,493	31,947,263
Cleaning	62,210	479,413
Other income	127,733	5,456,363
	<u>53,990,436</u>	<u>37,883,039</u>
	2021	2020
	£	£
Other significant revenue		
Government coronavirus job retention scheme grant	2,119,359	575,461
	<u>2,119,359</u>	<u>575,461</u>
	2021	2020
	£	£
Turnover analysed by geographical market		
UK	21,475,529	15,402,466
Rest of Europe	32,416,023	16,957,686
Asia	98,884	73,734
Management charges to parent undertaking	-	5,449,153
	<u>53,990,436</u>	<u>37,883,039</u>

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	147,356	(64,734)
Government grants	(2,119,359)	(575,461)
Depreciation of owned tangible fixed assets	28,061	30,059
Amortisation of intangible assets	9,625	9,625
Operating lease charges	13,087	6,698
	<u> </u>	<u> </u>

Government grants consist wholly of income received under the Government's Coronavirus Job Retention Scheme (CJRS).

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	20,750	20,000
	<u> </u>	<u> </u>
For other services		
All other non-audit services	6,000	6,000
	<u> </u>	<u> </u>

6 Employees

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

	2021	2020
	Number	Number
Professional	503	463
Administration	40	35
	<u> </u>	<u> </u>
Total	543	498
	<u> </u>	<u> </u>

Aggregate remuneration paid by the parent company, Darkstorm Trading Limited, acting as agent for the company was as follows:

	2021	2020
	£	£
Wages and salaries	13,976,589	8,538,069
Social security costs	1,234,860	718,517
Pension costs	199,287	124,486
	<u> </u>	<u> </u>
	15,410,736	9,381,072
	<u> </u>	<u> </u>

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

7 Directors' remuneration

Directors' remuneration comprise:

	2021 £	2020 £
Remuneration for qualifying services	246,041	215,850
Company pension contributions to defined contribution schemes	2,082	2,049
	<u>248,123</u>	<u>217,899</u>

Directors' remuneration paid by the parent company, Darkstorm Trading Limited, acting as agent for the company was as follows:

	2021 £	2020 £
Remuneration for qualifying services	-	61,625
Company pension contributions to defined contribution schemes	-	582
	<u>-</u>	<u>62,207</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	<u>103,986</u>	<u>106,315</u>

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	3,274	1,266
Interest on invoice finance arrangements	79,521	43,310
	<u>82,795</u>	<u>44,576</u>

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

9	Taxation	2021	2020
		£	£
	Current tax		
	UK corporation tax on profits for the current period	485,952	155,745
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	(13,334)	36,369
		<u> </u>	<u> </u>
	Total tax charge	<u>472,618</u>	<u>192,114</u>

In the Spring Budget 2021, the UK Government announced that the corporation tax rate would increase to 25% with effect from 1 April 2023. Deferred taxes at the balance sheet date have been remeasured accordingly as the announced change had been substantively enacted at the balance sheet date.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	2,731,378	1,051,861
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	518,962	199,854
Tax effect of expenses that are not deductible in determining taxable profit	11,103	19,098
Change in deferred tax rate	(9,763)	(8,537)
Other tax adjustments	(9,141)	(1,418)
Group relief surrendered/(claimed)	(38,543)	(16,883)
	<u> </u>	<u> </u>
Taxation charge for the year	<u>472,618</u>	<u>192,114</u>

10	Dividends	2021	2020
		£	£
	Final paid	500,002	172,500
		<u> </u>	<u> </u>

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2020 and 30 June 2021	96,251
Amortisation and impairment	
At 1 July 2020	20,332
Amortisation charged for the year	9,625
At 30 June 2021	29,957
Carrying amount	
At 30 June 2021	66,294
At 30 June 2020	75,919

12 Tangible fixed assets

	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2020	4,664	131,011	3,771	139,446
Additions	18,339	4,851	-	23,190
At 30 June 2021	23,003	135,862	3,771	162,636
Depreciation and impairment				
At 1 July 2020	4,664	82,057	3,771	90,492
Depreciation charged in the year	2,936	25,125	-	28,061
At 30 June 2021	7,600	107,182	3,771	118,553
Carrying amount				
At 30 June 2021	15,403	28,680	-	44,083
At 30 June 2020	-	48,954	-	48,954

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

13 Debtors		2021	2020
		£	£
Amounts falling due within one year:			
Trade debtors		12,418,632	10,738,482
Other debtors		434,825	312,135
Prepayments and accrued income		190,280	153,599
		<u>13,043,737</u>	<u>11,204,216</u>
Deferred tax asset (note 17)		49,533	36,199
		<u>13,093,270</u>	<u>11,240,415</u>

14 Creditors: amounts falling due within one year		2021	2020
	Notes	£	£
Bank loans	16	125,000	15,891
Trade creditors		5,528,476	5,553,571
Amounts owed to group undertakings		401,561	728,211
Corporation tax		408,512	155,745
Other taxation and social security		348,708	931,972
Other creditors		2,675,363	2,155,500
Accruals and deferred income		2,094,673	1,933,251
		<u>11,582,293</u>	<u>11,474,141</u>

Recourse debt factoring of £2,148,393 (2020: £1,703,692), included in other creditors, is secured on the trade debtors of the company.

15 Creditors: amounts falling due after more than one year		2021	2020
	Notes	£	£
Bank loans and overdrafts	16	104,167	234,109
		<u>104,167</u>	<u>234,109</u>

16 Loans and overdrafts		2021	2020
		£	£
Bank loans		229,167	250,000
		<u>229,167</u>	<u>250,000</u>
Payable within one year		125,000	15,891
Payable after one year		104,167	234,109
		<u>229,167</u>	<u>250,000</u>

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

16 Loans and overdrafts

(Continued)

On 27 April 2020 the company received a government Coronavirus Business Interruption Loan Scheme (CBILS) loan of £250,000. The government provides a guarantee for 80% of the loan and also provide business interruption payments whereby interest payments and any fees levied by the Lender are covered for the first year.

The loan is fully repayable with an interest rate of 2.33% over the Bank of England base rate charged on the outstanding balance.

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2021 £	Assets 2020 £
Balances:		
Accelerated capital allowances	49,533	36,199
	<u>49,533</u>	<u>36,199</u>
Movements in the year:		2021 £
Asset at 1 July 2020		(36,199)
Credit to profit or loss		(13,334)
		<u>(49,533)</u>
Asset at 30 June 2021		<u>(49,533)</u>

18 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	199,287	124,486
	<u>199,287</u>	<u>124,486</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary A shares of 1p each	53,333	53,333	533	533
	<u>53,333</u>	<u>53,333</u>	<u>533</u>	<u>533</u>

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

19 Share capital (Continued)

	2021 Number	2020 Number	2021 £	2020 £
Preference share capital Issued and fully paid				
7% Preference shares of £1 each	10,000	10,000	10,000	10,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference shares classified as equity			10,000	10,000
			<u> </u>	<u> </u>
Total equity share capital			10,533	10,533
			<u> </u>	<u> </u>

The preference shares are redeemable at the discretion of company. The shares carry a non-cumulative 7% coupon; payment thereof is at the discretion of the company.

20 Operating lease commitments

Lessee

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

	2021 £	2020 £
Within one year	8,945	124,262
Between two and five years	22,775	61,571
	<u> </u>	<u> </u>
	31,720	185,833
	<u> </u>	<u> </u>

21 Control

The company's immediate parent undertaking is Darkstorm Trading Limited, of which the immediate parent undertaking is Darkstorm Trading Group Limited,

Consolidated accounts are prepared for Darkstorm Trading Group Limited and these can be obtained from Companies House. The registered office of Darkstorm Trading Group Limited is 82 St John Street, London, EC1M 4JN.

Joachim Georg Ritter is the ultimate controlling party.

22 Events after the reporting date

In the months following the balance sheet date, the Company acquired 90% of the share capital of Interr Security GmbH (formerly K.I.S.S. Security GmbH) for €22,500. The subsidiary is based in Germany.

Post balance sheet date, the Company also formed a new subsidiary, Interr Securite, and owns 100% of the share capital. The subsidiary is based in France.

INTERR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

23 Related party transactions

At the balance sheet date the company owed £401,561 (2020: £728,211) to the parent company Darkstorm Trading Limited.

During the year, the company made purchases of £114,930 (2020: £48,725) from an entity of which a director is a shareholder.

During the year, consulting charges of £nil (2020: £858,772) were incurred by the parent company, Darkstorm Trading Limited, acting as agent for the company with an entity of which the ultimate controlling party is a shareholder. Consulting charges from this entity were borne directly by Interr Limited amounting to £641,866. At the balance sheet date the Group owed this entity £nil (2020: £60,000).

During the year, staff loans amounting to £1,600 (2020: £nil) were made to C. Dean, a director of the company.

During the year, the company paid £120,002 in dividends to key management personnel.

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