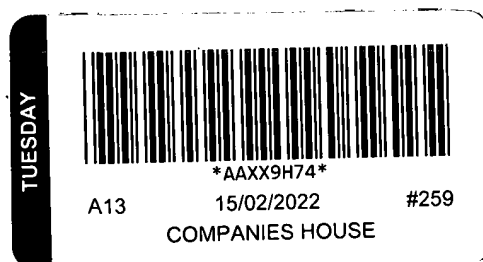


Company Registration No. 02875057 (England and Wales)

**MOMENTUM INSTORE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2021**





# MOMENTUM INSTORE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R M Gleave S P Gleave
<b>Company number</b>	02875057
<b>Registered office</b>	Beechwood Court Springwood Way Tytherington Business Park Macclesfield Cheshire United Kingdom SK10 2XG
<b>Auditor</b>	Azets Audit Services Ship Canal House 98 King Street Manchester M2 4WU

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# **MOMENTUM INSTORE LIMITED**

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# MOMENTUM INSTORE LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MAY 2021**

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The directors present the strategic report for the year ended 31 May 2021.

### **Business review**

The year saw a continuation of the unprecedented macro-economic challenges caused by the Covid pandemic. These impacts presented the business with many disruptive operational challenges but despite these the business has evolved and learnt to live with Covid and its many unpredictable impacts.

The financial year to 31 May 2021 delivered a 29% increase in turnover to £18.7M and the directors are glad to report a healthy return to profitability during the year.

Despite the continued challenging economic landscape, the business has confidently continued to invest in its operations, IT infrastructure and further develop its strategic plan. May 2020 saw us open our Aftermarket facility in Loughborough which marked a significant step forward for the business. This large facility allows us to offer a full range of complimentary services to our retail customers. These include, pick, pack and collation, tester picking, secure storage, recycling, refurbishment and a full parts management and distribution service. This is a key driver in executing our strategy of offering our customers more than installation and merchandising services and being a key partner throughout the whole POS lifecycle. We are now able to offer customers a complete range of services both pre and post implementation. We have continued to invest in our Aftermarket offering throughout the year, both in people and additional space and will continue to do so in this growing service offering.

At the same time, we have continued to invest in "Insite" our proprietary ERP & reporting platform. Insite allows customers to manage every element of their POS journey through a single integrated platform. The business has made significant investment to improve the user interface upgrading to Insite 3.0. as well as adding a whole suite of additional functionality including a dedicated Aftermarket portal as well as new stock management, scheduling and maintenance portals.

The investment in Aftermarket and Insite has completely repositioned Momentum in the marketplace allowing us the ability to deliver our customers a single integrated service managed through a single reporting system. This repositioning has already seen Momentum make significant new contract wins which will boost sales and profitability in FY22 and beyond.

### **Principal risks and uncertainties**

The market within which the company operates, remains competitive and retail clients continue to exert pressure on margins. The company continuously monitors the market and client requirements and adapts operationally to mitigate the pressures on margin.

Management aim to minimise risk by retention of key staff, focusing on higher margin generative work streams and robust overhead management.

The company has continued to control its costs well during the year and cash flow has continued to be strong and been professionally managed throughout the year.

### **Financial key performance indicators**

In the opinion of the directors the key performance indicators of the company are as follows:

- Gross profit margin of 25.4% (2020: 27.5%). Calculated as ratio of gross profit to turnover expressed as a percentage; and
- Operating profit margin of 2.4% (2020: -0.8%). Calculated as a ratio of operating profit to turnover expressed as a percentage.

Gross profit margin has shown a reduction in the year mainly due to some one-off low margin pass through work.



# **MOMENTUM INSTORE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2021**

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### **Developments and future outlook**

The directors remain highly positive about the future prospects for the business. The business's sales pipeline is strong and the company expects to maximise this pipeline over the coming years.

FY 22 builds on the positive rebound of FY 21 and the company expects to post an improvement to the reported profitability in FY 22. The company holds a positive outlook for FY 22, based on the volume of positive client enquiries and new tender wins.

The company continues to invest in its infrastructure, systems and employees, to position itself for future growth opportunities identified in the market. In addition, it expects its strategic repositioning and rebranding to be very well received by customers, both existing and new, and this is expected to drive sales growth.

The positive changes and investments made during the year reinforce the directors' positive view of the future prospects of the business.

This report was approved by the board and signed on its behalf.



R M Gleave  
**Director**

8 February 2022



# **MOMENTUM INSTORE LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MAY 2021***

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

### **Principal activities**

The principal activity of the company continued to be that of the provision of retail marketing services.

### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £276,000 (2020: £326,000). The directors do not recommend payment of a further dividend.

### **Directors**

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

R M Gleave

S P Gleave

### **Auditor**

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

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;
- 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.



# **MOMENTUM INSTORE LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MAY 2021***

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### **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.

On behalf of the board



R M Gleave  
**Director**

8 February 2022



# MOMENTUM INSTORE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MOMENTUM INSTORE LIMITED

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#### Opinion

We have audited the financial statements of Momentum Instore Limited (the 'company') for the year ended 31 May 2021 which comprise the statement of income and retained earnings, the balance sheet 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 31 May 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.



# **MOMENTUM INSTORE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MOMENTUM INSTORE LIMITED**

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#### **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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

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



# **MOMENTUM INSTORE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MOMENTUM INSTORE LIMITED**

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **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.

*Azets Audit Services*

**Lee Van Houplines (Senior Statutory Auditor)**

**For and on behalf of Azets Audit Services**

**8 February 2022**

**Chartered Accountants  
Statutory Auditor**

**Ship Canal House  
98 King Street  
Manchester  
M2 4WU**



# MOMENTUM INSTORE LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS (INCLUDING A PROFIT AND LOSS ACCOUNT)

FOR THE YEAR ENDED 31 MAY 2020

	Notes	2021 £'000	2020 £'000
Turnover	3	18,738	14,526
Cost of sales	4	(13,982)	(10,534)
<b>Gross profit</b>		<b>4,756</b>	<b>3,992</b>
Administrative expenses		(4,554)	(4,294)
Other operating income		289	188
<b>Operating profit/(loss)</b>	<b>5</b>	<b>491</b>	<b>(114)</b>
Interest receivable and similar income		-	2
Interest payable and similar expenses		(3)	(29)
Write off of amounts due from group undertakings	8	(50)	(323)
<b>Profit/(loss) before taxation</b>		<b>438</b>	<b>(464)</b>
Tax on profit/(loss)	9	(68)	92
<b>Profit/(loss) for the financial year</b>		<b>370</b>	<b>(372)</b>
Retained earnings brought forward		306	1,004
Dividends		(276)	(326)
<b>Retained earnings carried forward</b>		<b>400</b>	<b>306</b>

There are no recognised gains and losses other than those passing through the profit and loss account.



# MOMENTUM INSTORE LIMITED

## BALANCE SHEET

AS AT 31 MAY 2021

	Notes	2021 £'000	£'000	2020 £'000	£'000
<b>Fixed assets</b>					
Tangible assets	10		561		448
Investments	11		59		59
			<u>620</u>		<u>507</u>
<b>Current assets</b>					
Stocks		40		380	
Debtors	13	3,866		4,634	
Cash at bank and in hand		995		33	
		<u>4,901</u>		<u>5,047</u>	
<b>Creditors: amounts falling due within one year</b>	14	(2,691)		(2,915)	
<b>Net current assets</b>			<u>2,210</u>		<u>2,132</u>
<b>Total assets less current liabilities</b>			<u>2,830</u>		<u>2,639</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(59)		(59)
<b>Provisions for liabilities</b>					
Accruals and deferred income		1,109		1,053	
Deferred tax liability	16	86		45	
		<u>(1,195)</u>		<u>(1,098)</u>	
<b>Net assets</b>			<u>1,576</u>		<u>1,482</u>
<b>Capital and reserves</b>					
Called up share capital	18		100		1,176
Profit and loss reserves			1,476		306
<b>Total equity</b>			<u>1,576</u>		<u>1,482</u>



# **MOMENTUM INSTORE LIMITED**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 MAY 2021**

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The financial statements were approved by the board of directors and authorised for issue on 8 February 2022 and are signed on its behalf by:



**R M Gleave**  
**Director**

**Company Registration No. 02875057**



# MOMENTUM INSTORE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2021

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 June 2019</b>		1,176	1,004	2,180
<b>Year ended 31 May 2020:</b>				
Loss and total comprehensive income for the year		-	(372)	(372)
Dividends		-	(326)	(326)
<b>Balance at 31 May 2020</b>		1,176	306	1,482
<b>Year ended 31 May 2021:</b>				
Profit and total comprehensive income for the year		-	370	370
Dividends		-	(276)	(276)
Reduction of shares	18	(1,076)	1,076	-
<b>Balance at 31 May 2021</b>		100	1,476	1,576



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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### 1 Accounting policies

#### Company information

Momentum Instore Limited is a private company limited by shares incorporated in England and Wales. The registered office is Beechwood Court, Springwood Way, Tytherington Business Park, Macclesfield, Cheshire, SK10 2XG.

#### 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.

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 £'000.

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 the Reduced Financial Reporting Regime, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" regarding the disclosure requirements of Sections 3, 4, 7, 11, 12 and 33 of the standard.

The financial statements of the company are consolidated in the financial statements of Gleaventures Limited. The consolidated financial statements of Gleaventures Limited as at 31 May 2021 may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In forming this assessment, the directors have fully considered the potential impact of Covid-19 on the company, its operations and its ability to continue to meet its obligations as they fall due.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

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



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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	straight line over term of the lease
Equipment, fixtures and fittings	straight line between 3-7 years

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

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.

#### 1.5 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.6 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and represent cash in hand and deposits held at call with banks.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

##### **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. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

---

#### 1 Accounting policies

(Continued)

##### ***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.

##### ***Basic financial liabilities***

Basic financial liabilities, including trade creditors, are initially recognised at transaction price. 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. 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.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences are recognised that have originated but not reversed by the balance sheet 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 difference s 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 balance sheet date.



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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### 1 Accounting policies

(Continued)

#### 1.11 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.

#### 1.12 Retirement benefits

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

#### 1.13 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.

#### 1.14 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.

#### 1.15 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.

#### 1.16 Finance costs

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

#### 1.17 Dividends

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



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

### 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.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Job cost accrual

Ongoing projects at the year end are evaluated using costs incurred to date, turnover to date and expected job margins to calculate whether extra costs need to be accrued or whether some costs need to be deferred. Deferred costs are all shown within work in progress and accrued costs are shown within accruals.

### 3 Turnover and other revenue

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

	2021 £'000	2020 £'000
<b>Turnover analysed by geographical market</b>		
United Kingdom	18,619	14,526
Rest of Europe	119	-
	<u>18,738</u>	<u>14,526</u>

### 4 Cost of sales

Included within cost of sales is government grant income receivable of £572,000 (2020: £621,000) relating to the Coronavirus Job Retention Scheme.

### 5 Operating profit/(loss)

	2021 £'000	2020 £'000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	2	(1)
Government grants	(861)	(809)
Fees payable to the company's auditor for the audit of the company's financial statements	28	29
Depreciation of owned tangible fixed assets	150	145
Operating lease charges	<u>458</u>	<u>264</u>



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

### 6 Employees

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

	2021 Number	2020 Number
Directors	2	2
Management staff	14	12
Field staff	27	32
Office staff	42	47
Total	85	93

In addition to the note above, the company hired intermittent workers through out the year. The average number of such workers for the year was 176 (2020: 213).

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

	2021 £'000	2020 £'000
Wages and salaries	5,859	6,650
Social security costs	462	502
Pension costs	164	160
	6,485	7,312

Included within wages and salaries, social security costs and other pension costs are £3,188,000 (2020: £4,081,000), £209,000 (2020: £279,000) and £43,000 (2020: £54,000) that relate to staff costs in connection to intermittent workers.

### 7 Directors' remuneration

	2021 £'000	2020 £'000
Remuneration for qualifying services	21	19
Company pension contributions to defined contribution schemes	28	34
	49	53

### 8 Exceptional write off

	2021 £'000	2020 £'000
Exceptional write off of amounts due from group	(50)	(323)



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

### 9 Taxation

	2021 £'000	2020 £'000
<b>Current tax</b>		
UK corporation tax on profits for the current period	27	1
Adjustments in respect of prior periods	-	(48)
Benefit arising from a previously unrecognised tax loss or credit	-	(42)
	<u>27</u>	<u>(89)</u>
Total current tax	<u>27</u>	<u>(89)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	41	(10)
Adjustment in respect of prior periods	-	7
	<u>41</u>	<u>(3)</u>
Total deferred tax	<u>41</u>	<u>(3)</u>
Total tax charge/(credit)	<u>68</u>	<u>(92)</u>

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

	2021 £'000	2020 £'000
Profit/(loss) before taxation	<u>438</u>	<u>(464)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	83	(88)
Expenses not deductible for tax purposes	4	75
Adjustments in respect of prior years	-	(48)
Effect of change in corporation tax rate	14	-
Depreciation on assets not qualifying for tax allowances	4	4
Under/(over) provided in prior years	-	7
Effect of losses carried back	-	(42)
R&D additional deduction	(37)	-
	<u>68</u>	<u>(92)</u>
Taxation charge/(credit) for the year	<u>68</u>	<u>(92)</u>



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

### 10 Tangible fixed assets

	Leasehold improvements	Equipment, fixtures and fittings	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 June 2020	589	777	1,366
Additions	111	152	263
At 31 May 2021	700	929	1,629
<b>Depreciation and impairment</b>			
At 1 June 2020	313	605	918
Depreciation charged in the year	67	83	150
At 31 May 2021	380	688	1,068
<b>Carrying amount</b>			
At 31 May 2021	320	241	561
At 31 May 2020	276	172	448

### 11 Fixed asset investments

	Notes	2021 £'000	2020 £'000
Investments in subsidiaries	12	59	59

#### Movements in fixed asset investments

	Shares in subsidiaries £'000
<b>Cost or valuation</b>	
At 1 June 2020	68
Disposals	(9)
At 31 May 2021	59
<b>Impairment</b>	
At 1 June 2020	9
Released on disposal	(9)
At 31 May 2021	-
<b>Carrying amount</b>	
At 31 May 2021	59
At 31 May 2020	59



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

### 12 Subsidiaries

Details of the company's subsidiaries at 31 May 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
NDI Momentum Limited	United Kingdom	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £'000	Profit/(Loss) £'000
NDI Momentum Limited	59	-

The company previously held an investment in Momentum Instore SAS Limited, a company registered in France. This entity was dissolved during the year.

### 13 Debtors

	2021 £'000	2020 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	1,816	2,429
Corporation tax recoverable	26	90
Amounts owed by group undertakings	1,762	1,762
Other debtors	102	165
Prepayments and accrued income	160	188
	<u>3,866</u>	<u>4,634</u>

Amounts owed by group undertakings are repayable on demand, however the directors do not anticipate the balance to be fully repayable within 12 months of the balance sheet date.

### 14 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	949	1,287
Taxation and social security	1,169	1,112
Other creditors	573	516
	<u>2,691</u>	<u>2,915</u>



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

### 15 Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Amounts owed to group undertakings	59	59

### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £'000	Liabilities 2020 £'000
<b>Balances:</b>		
Accelerated capital allowances	92	49
Short term timing differences	(6)	(4)
	<u>86</u>	<u>45</u>
<b>Movements in the year:</b>		2021 £'000
Liability at 1 June 2020		45
Charge to profit or loss		41
		<u>86</u>
Liability at 31 May 2021		<u>86</u>

### 17 Retirement benefit schemes

	2021 £'000	2020 £'000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	164	160

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. Included within other creditors is £33,000 (2020: £31,000) in respect of contributions to the company's defined contribution pension scheme, paid monthly in arrears.



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

#### 18 Share capital

	2021 Number	2020 Number	2021 £'000	2020 £'000
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100,000	1,176,286	100	1,176

The resolution to reduce the share capital of the company was completed on the 30 June 2021, however the accounts have been presented as if the process were completed prior to the year end. The decision to undertake the capital reduction was formalised and communicated prior to the year end and completed shortly afterward. Accordingly, the directors are of the view that these financial statements present more meaningful information to the user, than if this reduction was disclosed as a post balance sheet event.

#### 19 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 £'000	2020 £'000
Within one year	444	458
Between two and five years	608	981
	1,052	1,439

#### 20 Related party transactions

The company has taken full advantage of the exemption under section 33 of FRS 102 from disclosing transactions with other members of the group headed by Gleaventures Limited provided that consolidated financial statements in which the company is included, are publicly available.

At the balance sheet date the net amount owed from Gleaventures Limited was £1,762,000 (2020: £1,762,000). In addition the company owed £59,000 (2020: £59,000) to NDI Momentum Limited, a subsidiary of the company.

#### 21 Ultimate controlling party

The immediate and ultimate parent undertaking is Gleaventures Limited, a company incorporated in England and Wales. Gleaventures Limited, was under the control of R M Gleave due to his majority shareholding throughout the current and preceding year.