

Strategic Report, Report of the Directors and

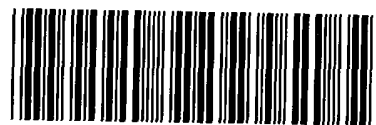
Financial Statements

for the Year Ended 30 June 2020

for

Facilities & Corporate Solutions Limited

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for the year ended 30 June 2020

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Facilities & Corporate Solutions Limited

Company Information
for the year ended 30 June 2020

DIRECTORS:

Mr M B Fay
Mr K E Williams
Mr M S Tamburro
Mr A Biddle
Mr J Kirby
Mr S Beeching

SECRETARY:

Mr M B Fay

REGISTERED OFFICE:

Wood Lane
Erdington
Birmingham
West Midlands
B24 9QL

REGISTERED NUMBER:

03184432 (England and Wales)

AUDITORS:

Clifford Roberts
Chartered Accountants &
Statutory Auditors
Pacioli House
9 Brookfield
Duncan Close
Northampton
Northamptonshire
NN3 6WL

Strategic Report
for the year ended 30 June 2020

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an IT based document production facility offering highly technical solutions for intelligent printing and mailing, e-billing/delivery, document archive and retrieval and back office Hybrid Mail. Committed to delivering guaranteed business outcomes through a combination of technology and process expertise, FCS gives its clients the freedom to do more with their business. Innovative technical solutions have allowed customers to manage their own document flows offering significant improvements and long term cost reductions.

REVIEW OF BUSINESS

Turnover for the year under review is £10,454,669 compared to £10,500,189 for the year ended 30th June 2019, a decrease of 0.43%. Profit before taxation for the year is £762,908 compared to £771,234 for the prior year.

At the year end the company had shareholders funds of £3,683,317 including distributable reserves of £3,321,934. The directors therefore believe the company's position to be satisfactory and are optimistic for the future, especially as the company's current assets exceed its current liabilities by £2,691,251.

PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls, all of which are governed by our adherence to accredited ISO Standards. All policies are subject to Board approval and ongoing review by directors and management. Compliance with regulation, legal and ethical standards is a high priority for the company. The company has developed a framework for identifying the risks it faces and the directors have assessed the main risks to the business as being its dependency on the performance of the UK economy. The company provides services to high profile UK businesses many of whom consistently feature in the FTSE 100. As a result the credit risk is deemed to be fairly low.

We approached the financial year in high spirits and were well established to achieve the growth plans in line with the previous years' investments. The onset of COVID-19, however presented the most significant and unpredictable challenges in the company's lifetime. With no blueprint for handling such an extraordinary event the company immediately postponed all capital expenditure, already planned for the 3rd and 4th quarters, and the strategic focus changed to ensure that "Business as Usual" was available to our entire customer base. The company prioritised the health and well being of our employees, customers and supply chain by going above and beyond the government recommendations for health and safety at work. All vulnerable staff were immediately furloughed and those that were able were encouraged to work from home. The production staff, however, were asked to work through the entire period and on behalf of the board I would like to thank them for their dedication and application to the "business as usual" philosophy that we offered to our customer base.

Although some of our customers, most notably in the health sector, suffered greatly from the lockdown we were able to secure three new financial services contracts in the third quarter which enabled the company to match the previous year's turnover and despite additional costs in relation to COVID-19, margins were maintained at an acceptable level.

The company finances its business through its shareholder funds and approved lines of credit. The impact of any fluctuation in the bank interest rate may become significant as capital expenditure is forecasted to escalate within the next three years as the enclosing machinery is due for replacement. The possibility of a "No Deal Brexit" is of major concern and the failure to negotiate acceptable exit terms continues to raise doubts with regard to future investment. In response to the pandemic, we must now focus on what we can learn and what new opportunities may be available to both the company and our client base.

Strategic Report
for the year ended 30 June 2020

FUTURE DEVELOPMENTS

Our commitment to future investment remains resolute and as soon as the Brexit terms are crystallized we will renew our postponed capital expansion plans. We expect the pandemic will be evident for the foreseeable future and we will continue to prioritize health and safety of all associated with the company.

In pursuit of its expansion and diversification of product the company acquired a 28% stake in a start up company, FCS Software Solutions Limited, which is specifically targeted with the development of web based solutions for Local Government and Education. The software is due for release in the 3rd and 4th quarters of the next financial year and early indications suggest that a positive return is forecast for the financial year 2021/22.

KEY PERFORMANCE INDICATORS

We have made significant progress throughout the year in relation to the key elements of our strategy, the board monitors the progress by reference to the following KPI's:

	2020	2019
Increase/(decrease) in turnover	(0.43%)	(9.6%)
Gross profit percentage	28.7%	28.3%
Operating profit percentage	6.7%	6.6%
Liquidity ratio	2.25	1.97

All of the above ratios are defined in UK Generally Accepted Accounting Practice.

FINANCIAL RISK MANAGEMENT

The company has exposure to two main areas of risk - customer credit exposure and liquidity risk.

Customer credit exposure

Credit terms may be offered to its customers who allow payment of the debt after delivery of the goods or service. The company is at risk to the extent that a customer may be unable to pay the debt on a specific due date. This risk is mitigated by the strong on-going customer relationships and by credit insurance.

Liquidity risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the company has credit facilities available. Given the cash reserves held by the company, the company is in a position to meet its commitments and obligations as they become due.

Foreign currency risk

The company is exposed to foreign currency risk which arise as a result of its operations. Predominantly, the sales and purchases are denominated in Sterling. Due to the small number of foreign currency transactions, the company does not enter into forward currency contracts.

ON BEHALF OF THE BOARD:



Mr M B Fay - Director

Date:

5/1/2021

Report of the Directors
for the year ended 30 June 2020

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

DIVIDENDS

A final dividend of 58p and £115.00 was declared and was paid in the year on the A Ordinary and B Ordinary shares respectively.

Total dividends paid in the year amounted to £230,000

DIRECTORS

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

Mr M B Fay
Mr K E Williams
Mr M S Tamburro
Mr A Biddle
Mr J Kirby
Mr S Beeching

FINANCIAL INSTRUMENTS

The company does not enter into any hedging transactions.

DISCLOSURE IN THE STRATEGIC REPORT

The disclosures relating to events occurring after the year end, likely future developments, research and development activities and an assessment of financial risk management exposures are disclosed within the strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

Report of the Directors
for the year ended 30 June 2020

AUDITORS

The auditors, Clifford Roberts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr M B Fay - Director

Date:

5/1/2021

**Report of the Independent Auditors to the Members of
Facilities & Corporate Solutions Limited**

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

**Report of the Independent Auditors to the Members of
Facilities & Corporate Solutions Limited**

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

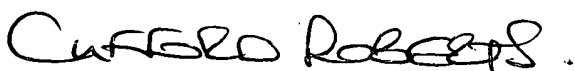
Auditors' responsibilities for the audit of the financial statements

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

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

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 a Report of the Auditors 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.



Adam Billingham BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Clifford Roberts
Chartered Accountants &
Statutory Auditors
Pacioli House
9 Brookfield
Duncan Close
Northampton
Northamptonshire
NN3 6WL

Date: 12th January, 2021

Statement of Comprehensive Income
for the year ended 30 June 2020

		2020		2019	
	Notes	£	£	£	£
TURNOVER	3		10,454,659		10,500,189
Cost of sales			7,451,136		7,525,577
GROSS PROFIT			3,003,523		2,974,612
Distribution costs		349,819		341,470	
Administrative expenses		1,994,354		1,956,394	
			2,344,173		2,297,864
			659,350		676,748
Other operating income			42,500		13,445
OPERATING PROFIT	6		701,850		690,193
Income from shares in group undertakings		-		44,119	
Income from fixed asset investments		7,534		8,174	
Interest receivable and similar income		2,204		1,986	
			9,738		54,279
			711,588		744,472
Gain/loss on revaluation of investments			62,807		34,407
			774,395		778,879
Interest payable and similar expenses	7		11,487		7,645
PROFIT BEFORE TAXATION			762,908		771,234
Tax on profit	8		161,515		142,205
PROFIT FOR THE FINANCIAL YEAR			601,393		629,029
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			601,393		629,029

The notes form part of these financial statements

Facilities & Corporate Solutions Limited (Registered number: 03184432)

Balance Sheet
30 June 2020

	Notes	2020	2019
		£	£
FIXED ASSETS			
Intangible assets	10	171,520	195,938
Tangible assets	11	963,743	1,402,919
Investments	12	5,380	5,100
		<u>1,140,643</u>	<u>1,603,957</u>
CURRENT ASSETS			
Stocks	13	61,340	59,999
Debtors	14	1,888,122	1,830,269
Investments	15	952,303	732,375
Cash at bank		1,941,227	1,083,361
		<u>4,842,992</u>	<u>3,706,004</u>
CREDITORS			
Amounts falling due within one year	16	2,151,741	1,883,911
NET CURRENT ASSETS		<u>2,691,251</u>	<u>1,822,093</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,831,894</u>	<u>3,426,050</u>
CREDITORS			
Amounts falling due after more than one year	17	(86,313)	(21,510)
PROVISIONS FOR LIABILITIES	21	(62,264)	(92,616)
NET ASSETS		<u><u>3,683,317</u></u>	<u><u>3,311,924</u></u>
CAPITAL AND RESERVES			
Called up share capital	22	201,000	201,000
Capital redemption reserve	23	400	400
Fair value reserve	23	159,983	113,922
Retained earnings	23	3,321,934	2,996,602
SHAREHOLDERS' FUNDS		<u><u>3,683,317</u></u>	<u><u>3,311,924</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 5/11/2020 and were signed on its behalf by:

Mr M B Fay - Director

Mr K E Williams - Director

The notes form part of these financial statements

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

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Fair value reserve £	Total equity £
Balance at 1 July 2018	201,000	2,620,685	400	85,810	2,907,895
Changes in equity					
Profit for the year	-	629,029	-	-	629,029
Other comprehensive income	-	(28,112)	-	28,112	-
Total comprehensive income	-	600,917	-	28,112	629,029
Dividends	-	(225,000)	-	-	(225,000)
Balance at 30 June 2019	201,000	2,996,602	400	113,922	3,311,924
Changes in equity					
Profit for the year	-	601,393	-	-	601,393
Other comprehensive income	-	(46,061)	-	46,061	-
Total comprehensive income	-	555,332	-	46,061	601,393
Dividends	-	(230,000)	-	-	(230,000)
Balance at 30 June 2020	201,000	3,321,934	400	159,983	3,683,317

The notes form part of these financial statements

Facilities & Corporate Solutions Limited (Registered number: 03184432)

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

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	980,677	1,111,992
Interest paid		(349)	(2,020)
Interest element of hire purchase payments paid		(11,138)	(5,625)
Tax paid		(106,760)	(127,270)
Net cash from operating activities		862,430	977,077
Cash flows from investing activities			
Purchase of tangible fixed assets		(74,073)	(517,427)
Purchase of fixed asset investments		(280)	-
Sale of tangible fixed assets		27,000	49,000
Purchase of current asset investments		(246,811)	(101,466)
Sale of current asset investments		321,057	88,971
Interest received		2,204	1,986
Dividends received		7,534	8,173
Net cash from investing activities		36,631	(470,763)
Cash flows from financing activities			
New loans in year		248,725	-
Loan repayments in year		(30,258)	(51,870)
Capital repayments in year		(184,662)	(90,882)
Equity dividends paid		(75,000)	(290,000)
Net cash from financing activities		(41,195)	(432,752)
Increase in cash and cash equivalents		857,866	73,562
Cash and cash equivalents at beginning of year	2	1,083,361	1,009,799
Cash and cash equivalents at end of year	2	1,941,227	1,083,361

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the year ended 30 June 2020

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020 £	2019 £
Profit before taxation	762,908	771,234
Depreciation charges	506,571	520,694
Profit on disposal of fixed assets	(28,251)	(44,800)
Gain on revaluation of fixed assets	(62,807)	(34,407)
Finance costs	11,487	7,645
Finance income	(9,738)	(54,279)
	<hr/>	<hr/>
	1,180,170	1,166,087
Increase in stocks	(1,341)	(9,585)
(Increase)/decrease in trade and other debtors	(79,294)	325,467
Decrease in trade and other creditors	(118,858)	(369,977)
	<hr/>	<hr/>
Cash generated from operations	980,677	1,111,992
	<hr/>	<hr/>

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 June 2020

	30.6.20 £	1.7.19 £
Cash and cash equivalents	1,941,227	1,083,361
	<hr/>	<hr/>

Year ended 30 June 2019

	30.6.19 £	1.7.18 £
Cash and cash equivalents	1,083,361	1,009,799
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The notes form part of these financial statements

Notes to the Cash Flow Statement
for the year ended 30 June 2020

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.19 £	Cash flow £	At 30.6.20 £
Net cash			
Cash at bank	1,083,361	857,866	1,941,227
	<u>1,083,361</u>	<u>857,866</u>	<u>1,941,227</u>
Liquid resources			
Current asset investments	732,375	219,928	952,303
	<u>732,375</u>	<u>219,928</u>	<u>952,303</u>
Debt			
Finance leases	(118,017)	(75,200)	(193,217)
Debts falling due within 1 year	(29,908)	29,908	-
	<u>(147,925)</u>	<u>(45,292)</u>	<u>(193,217)</u>
Total	<u>1,667,811</u>	<u>1,032,502</u>	<u>2,700,313</u>

The notes form part of these financial statements

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

1. PRINCIPLE PLACE OF BUSINESS

Facilities & Corporate Solutions Limited is a private company, limited by shares, incorporated and domiciled in England and has its registered office and principle place of business at Wood Lane, Erdington, Birmingham, B24 9QL. The company's registered number and registered office address can be found on the company information page.

Facilities & Corporate Solutions Limited has a second place of business, Unit 10, Lows Lane, Langham Park, Stanton by Dale, Derbyshire, DE7 4RJ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements are presented in Sterling (£), and are prepared to 30th June each year.

Preparation of consolidated financial statements

The financial statements contain information about Facilities & Corporate Solutions Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- The fair value of the listed investments have been determined on the basis of the price quoted on the London Stock Exchange as at the closing rate on the 30th June 2020.

- Accruals calculations are based upon both factual information and management judgement from their knowledge of the business.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The goodwill is amortised over the 10 years of its useful economic life.

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in profit or loss in the periods expected to be benefitted.

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows;

Improvements to leasehold property	- straight line over 15 years
Plant and machinery	- between 2 and 5 years straight line, 15% reducing balance
Fixtures, fittings and equipment	- straight line over 5 years or 15% reducing balance
Motor vehicles	- straight line over 3 years or 25% reducing balance
Computer equipment	- between 1 and 4 years straight line

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the assets. Where Grants are received or receivable with no performance related conditions they are recognised immediately to income.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

2. ACCOUNTING POLICIES - continued

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made on the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

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

2. ACCOUNTING POLICIES - continued

Investments

Investments comprise of unquoted shares in subsidiaries at cost less impairment and quoted shares held at fair value. Impairment losses are recognised immediately in the statement of income. Changes in fair value are recognised in profit or loss. Investments in shares (other than shares of a subsidiary, associate or joint venture) are required to be carried at fair value through profit or loss, provided that they are publicly traded, or fair value can be measured reliably, for example by using a valuation technique. Where fair value cannot be measured reliably, then the investment is carried at cost less impairment.

Investment income

Income from investments is included in the statement of comprehensive income in the accounting period in which it is received.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost.

3. TURNOVER

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	2,218,386	2,224,010
Social security costs	219,471	202,111
Other pension costs	18,138	34,195
	<u>2,455,995</u>	<u>2,460,316</u>

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

4. EMPLOYEES AND DIRECTORS - continued

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

	2020	2019
Administration	6	7
Sales	7	7
Production	73	75
	<u>86</u>	<u>89</u>

5. DIRECTORS' EMOLUMENTS

	2020 £	2019 £
Directors' remuneration	<u>546,570</u>	<u>513,547</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2020 £	2019 £
Emoluments etc	<u>163,188</u>	<u>171,654</u>

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Other operating leases	375,675	317,072
Depreciation - owned assets	355,465	416,579
Depreciation - assets on hire purchase contracts	131,404	67,500
Profit on disposal of fixed assets	(28,251)	(44,800)
Goodwill amortisation	24,418	48,234
Auditors' remuneration	7,500	7,500
Government grants	<u>(125,632)</u>	<u>-</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Bank loan interest	349	2,020
Hire purchase	<u>11,138</u>	<u>5,625</u>
	<u>11,487</u>	<u>7,645</u>

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

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2020 £	2019 £
Current tax:		
UK corporation tax	191,844	106,753
Prior year under provision	1	-
Corporation tax interest received	23	-
Total current tax	191,868	106,753
Deferred tax	(30,353)	35,452
Tax on profit	161,515	142,205

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss

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

	2020 £	2019 £
Profit before tax	762,908	771,234
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	144,953	146,534
Effects of:		
Expenses not deductible for tax purposes	4,578	6,614
Income not taxable for tax purposes	(19,473)	(25,841)
Capital allowances in excess of depreciation	-	(20,554)
Depreciation in excess of capital allowances	61,809	-
Adjustments to deferred tax in respect of a change in rate	12,481	(6,030)
Adjustment to deferred tax in respect of timing differences	(42,833)	41,482
Total tax charge	161,515	142,205

The company has capital losses amounting to £118,528 available to be carried forward and used against future capital gains.

9. DIVIDENDS

	2020 £	2019 £
Ordinary shares of £1 each		
Interim	115,000	93,750
Ordinary B shares of £1 each		
Interim	115,000	131,250
	230,000	225,000

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

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 July 2019	
and 30 June 2020	324,036
AMORTISATION	
At 1 July 2019	128,098
Amortisation for year	24,418
At 30 June 2020	152,516
NET BOOK VALUE	
At 30 June 2020	171,520
At 30 June 2019	195,938

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 July 2019	531,037	6,285,178	200,011
Additions	25,445	-	2,992
Disposals	-	(75,039)	(8,182)
At 30 June 2020	556,482	6,210,139	194,821
DEPRECIATION			
At 1 July 2019	380,977	5,192,607	180,821
Charge for year	13,978	372,559	5,260
Eliminated on disposal	-	(48,659)	(8,182)
At 30 June 2020	394,955	5,516,507	177,899
NET BOOK VALUE			
At 30 June 2020	161,527	693,632	16,922
At 30 June 2019	150,060	1,092,571	19,190

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

11. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 July 2019	266,057	574,799	7,857,082
Additions	33,500	12,136	74,073
Disposals	(28,119)	-	(111,340)
At 30 June 2020	271,438	586,935	7,819,815
DEPRECIATION			
At 1 July 2019	161,041	538,717	6,454,163
Charge for year	60,642	34,430	486,869
Eliminated on disposal	(28,119)	-	(84,960)
At 30 June 2020	193,564	573,147	6,856,072
NET BOOK VALUE			
At 30 June 2020	77,874	13,788	963,743
At 30 June 2019	105,016	36,082	1,402,919

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 July 2019	337,500
Reclassification/transfer	319,790
At 30 June 2020	657,290
DEPRECIATION	
At 1 July 2019	208,125
Charge for year	131,404
Reclassification/transfer	23,628
At 30 June 2020	363,157
NET BOOK VALUE	
At 30 June 2020	294,133
At 30 June 2019	129,375

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

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2019	5,100
Additions	280
	<hr/>
At 30 June 2020	5,380
	<hr/>
NET BOOK VALUE	
At 30 June 2020	5,380
	<hr/>
At 30 June 2019	5,100
	<hr/>

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

Perspektiv Limited

Registered office: FCS Laser Mail Wood Lane, Erdington, Birmingham, West Midlands, B24 9QL

Nature of business: Print management

	% holding	2020 £	2019 £
Class of shares:			
Ordinary Shares	100.00		
		4,975	4,975
		<hr/>	<hr/>
Aggregate capital and reserves			

Secure Mailing Limited

Registered office: FCS Laser Mail, Wood Lane, Erdington, Birmingham, England, B24 9QL

Nature of business: Print management

	% holding	2020 £	2019 £
Class of shares:			
Ordinary Shares	100.00		
		100	100
		<hr/>	<hr/>
Aggregate capital and reserves			

FCS Software Solutions Limited

Registered office: FCS Lasermail Wood Lane, Erdington, Birmingham, England, B24 9QL

Nature of business: Business and domestic software development

	% holding	2020 £
Class of shares:		
Ordinary Shares	28.28	
		161,405
		<hr/>
Aggregate capital and reserves		
Loss for the year		(162,395)
		<hr/>

All of the above entities share the same registered office, are incorporated in the United Kingdom and operate principally therein. FCS Software Solutions Limited was incorporated during the year.

The directors consider that Facilities & Corporate Solutions Limited exercises a dominant influence over FCS Software Solutions Limited based on its own shareholding in the entity, common shareholdings and common directorships.

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

13. STOCKS

	2020 £	2019 £
Stocks	<u>61,340</u>	<u>59,999</u>

The amount of stock recognised as an expense during the year was £1,372,049 (2019 - £1,313,926.)

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	1,632,607	1,619,702
Amounts owed by group undertakings	-	21,441
Amounts recoverable on contract	2,069	14,156
Broker accounts	76,001	3,930
Prepayments	177,445	171,040
	<u>1,888,122</u>	<u>1,830,269</u>

15. CURRENT ASSET INVESTMENTS

	2019 £	2019 £
Listed investments	<u>952,303</u>	<u>732,375</u>

Listed investments include a Prudential investment plan and a Charles Stanley investment portfolio, and fair value has been estimated with reference to the market value as at 30th June, 2020. As of the year end, the cost of the investments was £750,156 (2019 - £591,573).

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other loans (see note 18)	-	29,908
Hire purchase contracts (see note 19)	106,904	96,507
Trade creditors	671,638	777,451
Amounts owed to group undertakings	5,355	4,975
Tax	191,820	106,735
Social security and other taxes	43,826	52,711
VAT	341,378	324,436
Proposed dividends	230,000	75,000
Other creditors	91,631	58,840
Wages and salaries control	11,930	14,960
Accruals	457,259	342,388
	<u>2,151,741</u>	<u>1,883,911</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Hire purchase contracts (see note 19)	<u>86,313</u>	<u>21,510</u>

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

18. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year or on demand:		
Other loans	-	29,908
	<u> </u>	<u> </u>

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020 £	2019 £
Net obligations repayable:		
Within one year	106,904	96,507
Between one and five years	86,313	21,510
	<u>193,217</u>	<u>118,017</u>
	<u> </u>	<u> </u>
	Non-cancellable operating leases	
	2020 £	2019 £
Within one year	342,000	72,000
Between one and five years	1,368,000	288,000
In more than five years	1,480,500	360,000
	<u>3,190,500</u>	<u>720,000</u>
	<u> </u>	<u> </u>

During the period non-cancellable operating lease payments of £342,000 have been recognised as an expense.

20. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Other loans	-	29,908
Hire purchase contracts	193,217	118,017
	<u>193,217</u>	<u>147,925</u>
	<u> </u>	<u> </u>

The company's borrowings are secured by way of a debenture dated 12th August 2002 and a charge dated 14th January 2015, both in favour of Lloyds Bank plc.

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

21. PROVISIONS FOR LIABILITIES

	2020 £	2019 £
Deferred tax		
Other timing differences	38,408	23,936
Deferred tax	23,856	68,680
	<u>62,264</u>	<u>92,616</u>
		Deferred tax £
Balance at 1 July 2019		92,616
Credit to Statement of Comprehensive Income during year		(44,824)
Fair value on investments		14,472
Balance at 30 June 2020		<u>62,264</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020 £	2019 £
Number:	Class:	Nominal value:		
200,000	Ordinary	£1	200,000	200,000
1,000	Ordinary B	£1	1,000	1,000
			<u>201,000</u>	<u>201,000</u>

Called up share capital

This represents the nominal value of the shares that have been issued.

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

23. RESERVES

	Retained earnings £	Capital redemption reserve £	Fair value reserve £	Totals £
At 1 July 2019	2,996,602	400	113,922	3,110,924
Profit for the year	601,393	-	-	601,393
Dividends	(230,000)	-	-	(230,000)
Movement for fair value	(60,533)	-	60,533	-
Movement in deferred tax	14,472	-	(14,472)	-
At 30 June 2020	<u>3,321,934</u>	<u>400</u>	<u>159,983</u>	<u>3,482,317</u>

Retained earnings

This reserve includes all current and prior period retained profit and losses.

Fair value reserve

This reserve includes all current and prior period gains and losses on revaluing the listed investments to fair value. The amounts taken to the fair value reserve have been subject to deferred tax.

Capital redemption reserve

This reserve relates to the company's own shares which have been redeemed. The capital redemption reserve is a non-distributable reserve and represents paid up share capital.

24. CONTINGENT LIABILITIES

As at both 30 June, 2020 and 30th June, 2019, there were no contingent liabilities.

25. CAPITAL COMMITMENTS

As at both 30 June, 2020 and 30th June, 2019, there were no capital commitments.

26. RELATED PARTY DISCLOSURES

Entities over which the entity has control, joint control or significant influence

	2020 £	2019 £
Dividends received	-	44,119
Amount due from related party	<u>5,355</u>	<u>16,466</u>

In the prior year a subsidiary company hived up its trade and assets to Facilities & Corporate Solutions Ltd at their book value.

Key management personnel of the entity or its parent (in the aggregate)

	2020 £	2019 £
Compensation	745,958	701,904
Dividends	<u>75,452</u>	<u>106,487</u>

Key management are considered to be the Directors of Facilities and Corporate Solutions Limited.

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

26. RELATED PARTY DISCLOSURES - continued

Other related parties

	2020	2019
	£	£
Rent paid	342,000	288,000
Dividends	110,849	106,487
Amount due from related party	-	415
	<u> </u>	<u> </u>