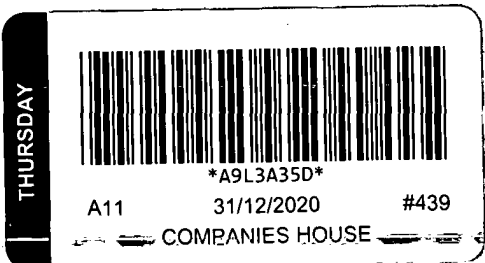


Company Registration No. 03917262 (England and Wales)

KIRLY GROUP HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019



KIRLY GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M W Johnson M A Johnson	(Appointed 22 October 2019)
Secretary	M J Tolond	
Company number	03917262	
Registered office	11 Luard Road Cambridge CB2 8PJ	
Auditor	Humphrey & Co Audit Services Ltd 7-9 The Avenue Eastbourne East Sussex BN21 3YA	

KIRLY GROUP HOLDINGS LIMITED

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KIRLY GROUP HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the period ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of the provision of central administration facilities and finance to its subsidiary companies.

Directors

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

M W Johnson	
C D R Manktelow	(Resigned 10 October 2019)
R M Jeffries	(Resigned 14 April 2020)
L Turner	(Resigned 14 April 2020)
C Grundy	(Resigned 30 September 2019)
O W Phillips	(Resigned 30 September 2019)
K Miller	(Resigned 17 July 2019)
M A Johnson	(Appointed 22 October 2019)

Results and dividends

The results for the period are set out on page 6.

Ordinary dividends were paid amounting to £1,129,950. The directors do not recommend payment of a final dividend.

Auditor

Humphrey & Co Audit Services Ltd were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

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

On behalf of the board



M W Johnson
Director

29 December 2020

KIRLY GROUP HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

KIRLY GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KIRLY GROUP HOLDINGS LIMITED

Opinion

We have audited the financial statements of Kirly Group Holdings Limited (the 'company') for the period ended 31 December 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the period 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

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 included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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 our audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

KIRLY GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KIRLY GROUP HOLDINGS 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 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; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

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

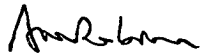
KIRLY GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KIRLY GROUP HOLDINGS LIMITED

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.



Mr Andrew Robinson (Senior Statutory Auditor)
for and on behalf of Humphrey & Co Audit Services Ltd

30 December 2020

Chartered Accountants
Statutory Auditor

7-9 The Avenue
Eastbourne
East Sussex
BN21 3YA

KIRLY GROUP HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2019

		Period ended 31 December 2019 £	Year ended 30 April 2019 £
Administrative expenses	Notes	(288,494)	(106,017)
Other operating income		266,425	139,336
Operating (loss)/profit	4	(22,069)	33,319
Interest receivable and similar income	6	2,317,084	140,700
Gains/(losses) on investments	7	31,693,811	129,545
Profit before taxation		33,988,826	303,564
Tax on profit	8	(217,156)	52,063
Profit for the financial period		33,771,670	355,627

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

KIRLY GROUP HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Profit for the period	33,771,670	355,627
Other comprehensive income	-	-
Total comprehensive income for the period	<u>33,771,670</u>	<u>355,627</u>

KIRLY GROUP HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2019 £	£
Fixed assets					
Tangible assets	10	132,307		162,687	
Investments	11	1,420,208		4,153,482	
		<u>1,552,515</u>		<u>4,316,169</u>	
Current assets					
Debtors falling due after more than one year	14	6,207,331	3,035,592		
Debtors falling due within one year	14	21,261,819	2,776,718		
Cash at bank and in hand		14,271,416	327,052		
		<u>41,740,566</u>	<u>6,139,362</u>		
Creditors: amounts falling due within one year	15	(697,140)	(1,246,416)		
Net current assets		<u>41,043,426</u>		<u>4,892,946</u>	
Total assets less current liabilities		<u>42,595,941</u>		<u>9,209,115</u>	
Provisions for liabilities	16	(221,606)		(210,000)	
Net assets		<u>42,374,335</u>		<u>8,999,115</u>	
Capital and reserves					
Called up share capital	20	127		121	
Share premium account		3,221,990		2,488,496	
Capital redemption reserve		390,361		390,361	
Other reserves		976,393		976,393	
Profit and loss reserves		37,785,464		5,143,744	
Total equity		<u>42,374,335</u>		<u>8,999,115</u>	

The financial statements were approved by the board of directors and authorised for issue on 29 December 2020 and are signed on its behalf by:

M W Johnson

M W Johnson
Director

Company Registration No. 03917262

KIRLY GROUP HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 May 2018		121	2,015,024	390,361	976,392	7,055,988	10,437,886
Year ended 30 April 2019:							
Profit and total comprehensive income for the year		-	-	-	-	355,627	355,627
Issue of share capital	20	8	473,472	-	-	-	473,480
Dividends	9	-	-	-	-	(1,225,624)	(1,225,624)
Own shares acquired		-	-	-	1	-	1
Reduction of shares	20	(8)	-	-	-	(1,055,682)	(1,055,690)
Other movements		-	-	-	-	13,435	13,435
Balance at 30 April 2019		121	2,488,496	390,361	976,393	5,143,744	8,999,115
Period ended 31 December 2019:							
Profit and total comprehensive income for the period		-	-	-	-	33,771,670	33,771,670
Issue of share capital	20	6	733,494	-	-	-	733,500
Dividends	9	-	-	-	-	(1,129,950)	(1,129,950)
Balance at 31 December 2019		127	3,221,990	390,361	976,393	37,785,464	42,374,335

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Kirly Group Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 11 Luard Road, Cambridge, CB2 8PJ.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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

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

The financial statements of the company are consolidated in the financial statements of Kirly Limited. These consolidated financial statements are available from its registered office, 11 Luard Road, Cambridge, CB2 8PJ.

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. The directors have considered the expected impact of the ongoing Covid-19 pandemic and concluded that the company is unlikely to be significantly affected by the pandemic. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The company now prepares its accounts to 31 December annually. The prior financial statements were prepared for the year to 30 April 2019. These financial statements cover the 8 month period from 1 May 2019 to 31 December 2019. As a result the comparative figures presented in the financial statements (including the related notes) are not entirely comparable. The reason for the shorter period of account is to make the financial year end coterminous with that of the parent company.

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

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

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

Plant and equipment	10-33% straight line
Computers	33% straight line

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

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

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

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

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

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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.

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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 Taxation

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

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

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

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

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of 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 reporting end date, 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. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 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.

1.13 Retirement benefits

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

1.14 Share-based payments

The cost of equity-settled share transactions with employees is measured by reference to the fair value at the date at which they are granted or the effective date of adoption of FRS 102 'Share-based Payments' using the Black Scholes model. The cost is recognised as an expense over the vesting period, which ends on the date on which the relevant employee becomes fully entitled to the award.

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.15 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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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.

3 Turnover and other revenue

	2019 £	2019 £
Other significant revenue		
Interest income	230,304	97,203
Dividends received	2,086,780	43,497

The company earns rental income on commercial property sublet to external tenants.

4 Operating (loss)/profit

	2019 £	2019 £
Operating (loss)/profit for the period is stated after charging:		
Depreciation of owned tangible fixed assets	20,026	55,013
Operating lease charges	216,000	220,000

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

5 Employees

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

	2019 Number	2019 Number
Professional staff	6	13
Office and administration	3	5
Total	9	18

Their aggregate remuneration comprised:

	2019 £	2019 £
Wages and salaries	354,078	695,884
Social security costs	38,095	73,038
Pension costs	30,052	85,068
	422,225	853,990

6 Interest receivable and similar income

	2019 £	2019 £
Interest income		
Interest receivable from group companies	169,713	-
Other interest income	60,591	97,203
Total interest revenue	230,304	97,203
Other income from investments		
Dividends received	2,086,780	43,497
Total income	2,317,084	140,700

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

7 Gains/(losses) on investments

	2019 £	2019 £
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	(34,797)	-
Other gains/(losses)		
Gain on disposal of financial assets held at cost	31,728,608	-
Amounts written back to financial assets held at cost	-	24,451
Other gains and losses	-	105,094
	<u>31,693,811</u>	<u>129,545</u>

8 Taxation

	2019 £	2019 £
Current tax		
UK corporation tax on profits for the current period	92,688	(52,063)
Adjustments in respect of prior periods	112,862	-
Total current tax	<u>205,550</u>	<u>(52,063)</u>
Deferred tax		
Origination and reversal of timing differences	<u>11,606</u>	<u>-</u>
Total tax charge/(credit)	<u>217,156</u>	<u>(52,063)</u>

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

	2019 £	2019 £
Profit before taxation	<u>33,988,826</u>	<u>303,564</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	6,457,877	57,677
Tax effect of expenses that are not deductible in determining taxable profit	38,213	(109,740)
Tax effect of income not taxable in determining taxable profit	(396,488)	-
Gains not taxable	(6,009,136)	-
Permanent capital allowances in excess of depreciation	2,223	-
Under/(over) provided in prior years	112,862	-
Deferred tax adjustments in respect of prior years	11,605	-
Taxation charge/(credit) for the period	<u>217,156</u>	<u>(52,063)</u>

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

9 Dividends

	2019 £	2019 £
Final paid	1,129,950	1,225,624

10 Tangible fixed assets

	Plant and equipment £	Computers £	Total £
Cost			
At 1 May 2019	510,362	588,356	1,098,718
Additions	5,647	-	5,647
Disposals	-	(588,356)	(588,356)
At 31 December 2019	516,009	-	516,009
Depreciation and impairment			
At 1 May 2019	366,875	569,156	936,031
Depreciation charged in the period	16,827	3,199	20,026
Eliminated in respect of disposals	-	(572,355)	(572,355)
At 31 December 2019	383,702	-	383,702
Carrying amount			
At 31 December 2019	132,307	-	132,307
At 30 April 2019	143,487	19,200	162,687

11 Fixed asset investments

	Notes	2019 £	2019 £
Investments in subsidiaries	12	2	2,638,257
Listed investments		1,373,029	1,341,404
Unlisted investments		47,177	173,821
		1,420,208	4,153,482
Listed investments included above:			
Listed investments carrying amount		1,373,029	1,341,404

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

11 Fixed asset investments

(Continued)

Fixed asset investments revalued

The company uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets

Level 2: prices based on recent transactions in identical assets

Level 3: prices determined using a valuation technique

None of the above investments are valued at amortised cost.

Movements in fixed asset investments

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 May 2019	2,638,257	1,515,225	4,153,482
Valuation changes	-	(34,797)	(34,797)
Distribution of funds in escrow	-	(60,222)	(60,222)
Disposals	(2,638,255)	-	(2,638,255)
At 31 December 2019	2	1,420,206	1,420,208
Carrying amount			
At 31 December 2019	2	1,420,206	1,420,208
At 30 April 2019	2,638,257	1,515,225	4,153,482

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Kirly Property Services Limited (formerly NW Brown Property Limited)	(A)	Commercial property letting	Ordinary	100.00
Kirly EB Ltd	(A)	Dormant	Ordinary	100.00
DAN Holdings Ltd	(A)	Dormant	Ordinary	100.00
Kirly FS Ltd	(A)	Dormant	Ordinary	100.00
Cambridge Index Ltd	(A)	Dormant	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

(A) 11 Luard Road, Cambridge, CB2 8PJ

Dormant subsidiaries Kirly CB Ltd and Kirly WM Ltd were dissolved on 25 February 2020.

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

13 Financial instruments

	2019 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	1,420,206	1,515,225

14 Debtors

	2019 £	2019 £
Amounts falling due within one year:		
Trade debtors	214,636	-
Amounts owed by group undertakings	20,228,486	1,238,468
Other debtors	734,591	1,338,956
Prepayments and accrued income	84,106	199,294
	21,261,819	2,776,718

	2019 £	2019 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	685,000	2,185,000
Other debtors	5,522,331	850,592
	6,207,331	3,035,592

Total debtors	27,469,150	5,812,310
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15 Creditors: amounts falling due within one year

	2019 £	2019 £
Trade creditors	42,533	237,116
Amounts owed to group undertakings	-	624,055
Corporation tax	301,343	81,549
Other taxation and social security	3,221	13,341
Other creditors	45,333	12,377
Accruals and deferred income	304,710	277,978
	697,140	1,246,416

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

16 Provisions for liabilities

	Notes	2019 £	2019 £
Dilapidations		210,000	210,000
Deferred tax liabilities	17	11,606	-
		<u>221,606</u>	<u>210,000</u>

Movements on provisions apart from deferred tax liabilities:

	Dilapidations £
At 1 May 2019 and 31 December 2019	<u>210,000</u>

The provision relates to repairs required to be made under the terms of the lease to return the property, at the end of the lease, to the same state as when the lease commenced. The underlying lease was renewed in December 2013 (note 21).

17 Deferred taxation

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

	Liabilities 2019 £	Liabilities 2019 £
Balances:		
Revaluations	<u>11,606</u>	<u>-</u>
Movements in the period:		2019 £
Liability at 1 May 2019		-
Charge to profit or loss		<u>11,606</u>
Liability at 31 December 2019		<u>11,606</u>

The net reversal of deferred tax liabilities expected to occur the year beginning after the reporting period is £Nil.

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

18 Retirement benefit schemes

	2019 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	30,052	85,068

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

19 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2019 Number	2019 Number	2019 £	2019 £
Outstanding at 1 May 2019	64,000	123,332	11.74	7.10
Granted	-	32,000	-	12.00
Exercised	(62,500)	(88,332)	11.74	5.36
Expired	(1,500)	(3,000)	11.74	11.75
Outstanding at 31 December 2019	-	64,000	-	11.74
Exercisable at 31 December 2019	-	64,000	-	11.74

20 Share capital

	2019 £	2019 £
Ordinary share capital		
Issued and fully paid		
1,410,339 (2019: 1,351,840) Ordinary shares of 0.009p each	127	121

21 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:

	2019 £	2019 £
Within one year	240,000	240,000
Between two and five years	990,000	983,333
In over five years	2,250,000	2,250,000
	3,480,000	3,473,333

KIRLY GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

21 Operating lease commitments

(Continued)

Lessor

The company's lease of its Cambridge premises at 16 Regent Street expires on 24 December 2033. The company has sublet, under operating leases to third parties, a part of the land and building leased above.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2019 £	2019 £
Within one year	261,280	76,378
Between two and five years	960,095	221,626
In over five years	818,775	-
	<u>2,040,150</u>	<u>298,004</u>

22 Related party transactions

Transactions with related parties

During the period the company entered into the following transactions with related parties:

The company has taken advantage of the exemption available in FRS 102 section 33.1A whereby it has not disclosed transactions with members of a wholly-owned group.

The following amounts were outstanding at the reporting end date:

	2019 £	2019 £
Amounts due from related parties		
Other related parties	<u>685,000</u>	<u>685,000</u>

The company has a subordinated loan with Freedom Insurance Services Limited, a company owned by Kirly Limited. The outstanding balance owed by Freedom Insurance Services Limited at the year-end was £685,000. The loan is repayable in 5 equal instalments commencing 1 August 2020. No amounts are due in the year ended 31 December 2020 as the company made early repayments on the loan in prior years. Interest is payable annually and is charged at LIBOR plus five percent. Interest of £41,222 was charged during the period to 31 December 2019 (30 April 2019: £48,607).

23 Ultimate controlling party

The company is a wholly owned subsidiary of Kirly Limited, a company registered in England and Wales. Its registered office is 11 Luard Road, Cambridge, CB2 8PJ. Mr and Mrs Johnson are the main shareholders of Kirly Limited.

The group in which the results of the company are consolidated is headed by Kirly Limited.