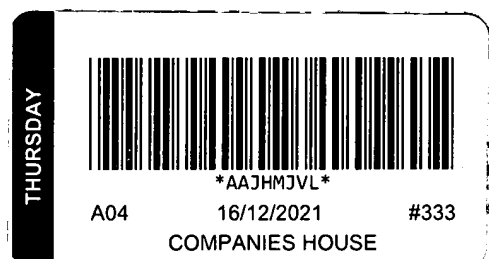


Company Registration No. 03917262 (England and Wales)

**KIRLY GROUP HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# KIRLY GROUP HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M W Johnson M A Johnson
<b>Secretary</b>	M J Tolond
<b>Company number</b>	03917262
<b>Registered office</b>	11 Luard Road Cambridge CB2 8PJ
<b>Auditor</b>	Humphrey & Co Audit Services Ltd 7-9 The Avenue Eastbourne East Sussex BN21 3YA

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# KIRLY GROUP HOLDINGS LIMITED

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# KIRLY GROUP HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### 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.

#### Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

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

M W Johnson

R M Jeffries

L Turner

M A Johnson

(Resigned 14 April 2020)

(Resigned 14 April 2020)

#### 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

10 December 2021

# **KIRLY GROUP HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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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

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#### Opinion

We have audited the financial statements of Kirly Group Holdings Limited (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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 *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.

#### Emphasis of matter

We draw attention to note 2 to these financial statements which describes the material uncertainties regarding deferred consideration to be received by the company. Our opinion is not modified in this respect.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# KIRLY GROUP HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF KIRLY GROUP HOLDINGS LIMITED

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#### **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 year 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.

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# KIRLY GROUP HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF KIRLY GROUP HOLDINGS LIMITED

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

We obtained an understanding of the company and the laws and regulations that could reasonably be expected to have a direct effect on the financial statements through discussion with the directors and management and the application of our knowledge and experience. We discussed with management whether there were any known or suspected instances of fraud and/or non-compliance with relevant laws and regulations. We also obtained an understanding of the company's accounting systems and internal controls.

We audited the risk of management override of controls, by testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. Our other audit procedures included, but were not limited to, carrying out detailed substantive testing of a sample of income and expenditure transactions arising in the year and a sample of balance sheet items such as fixed assets, debtors, creditors, etc. We also reviewed the financial statements and checked disclosures to supporting documentation to assess compliance with applicable law and regulation.

Because of the inherent risk of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. The risk is greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

#### **Use of our report**

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



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

10 December 2021

**Chartered Accountants**  
**Statutory Auditor**

7-9 The Avenue  
Eastbourne  
East Sussex  
BN21 3YA



# KIRLY GROUP HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Year ended 31 December 2020 £	Period ended 31 December 2019 £
	Notes		
Turnover	3	84,472	-
Administrative expenses		(219,336)	(288,494)
Other operating income		310,612	266,425
<b>Operating profit/(loss)</b>	<b>4</b>	<b>175,748</b>	<b>(22,069)</b>
Interest receivable and similar income	7	1,932,215	2,317,084
Interest payable and similar expenses	8	(4,382)	-
Gains on investments	9	3,038,301	31,693,811
<b>Profit before taxation</b>		<b>5,141,882</b>	<b>33,988,826</b>
Tax on profit	10	(516,576)	(217,156)
<b>Profit for the financial year</b>		<b>4,625,306</b>	<b>33,771,670</b>

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 YEAR ENDED 31 DECEMBER 2020

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	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Profit for the year	4,625,306	33,771,670
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,625,306</u>	<u>33,771,670</u>

# KIRLY GROUP HOLDINGS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	12	106,926		132,307	
Investments	13	7,522,588		1,420,208	
		<u>7,629,514</u>		<u>1,552,515</u>	
<b>Current assets</b>					
Debtors falling due after more than one year	16	5,235,001	6,207,331		
Debtors falling due within one year	16	33,351,919	21,261,819		
Cash at bank and in hand		1,778,004	14,271,416		
		<u>40,364,924</u>	<u>41,740,566</u>		
<b>Creditors: amounts falling due within one year</b>	17	(353,012)	(697,140)		
<b>Net current assets</b>		<u>40,011,912</u>		<u>41,043,426</u>	
<b>Total assets less current liabilities</b>		<u>47,641,426</u>		<u>42,595,941</u>	
<b>Provisions for liabilities</b>					
Provisions	18	210,000	210,000		
Deferred tax liability	19	431,785	11,606		
		<u>(641,785)</u>	<u>(221,606)</u>		
<b>Net assets</b>		<u>46,999,641</u>		<u>42,374,335</u>	
<b>Capital and reserves</b>					
Called up share capital	23	127	127		
Share premium account		3,221,990	3,221,990		
Capital redemption reserve		390,362	390,361		
Other reserves		976,392	976,393		
Profit and loss reserves		42,410,770	37,785,464		
<b>Total equity</b>		<u>46,999,641</u>	<u>42,374,335</u>		

The financial statements were approved by the board of directors and authorised for issue on 10 December 2021 and are signed on its behalf by:



M W Johnson  
Director

Company Registration No. 03917262

# KIRLY GROUP HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2019</b>		121	2,488,496	390,361	976,393	5,143,744	8,999,115
<b>Period ended 31 December 2019:</b>							
Profit and total comprehensive income for the period		-	-	-	-	33,771,670	33,771,670
Issue of share capital	23	6	733,494	-	-	-	733,500
Dividends	11	-	-	-	-	(1,129,950)	(1,129,950)
<b>Balance at 31 December 2019</b>		127	3,221,990	390,361	976,393	37,785,464	42,374,335
<b>Period ended 31 December 2020:</b>							
Profit and total comprehensive income for the period		-	-	-	-	4,625,306	4,625,306
Other movements		-	-	1	(1)	-	-
<b>Balance at 31 December 2020</b>		127	3,221,990	390,362	976,392	42,410,770	46,999,641

# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 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: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- 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 covered 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 change in reporting date was to make the financial year end coterminous with that of the parent company.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1 Accounting policies

(Continued)

##### 1.5 Tangible fixed assets

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

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

Plant and equipment	10% Straight line
---------------------	-------------------

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

##### 1.6 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.

##### 1.7 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 YEAR ENDED 31 DECEMBER 2020

---

#### 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.

#### 1.8 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.

#### 1.9 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 YEAR ENDED 31 DECEMBER 2020

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#### 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.

##### ***Derecognition of financial liabilities***

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

#### **1.10 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.

#### **1.11 Taxation**

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

##### ***Current tax***

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

##### ***Deferred tax***

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



# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### 1.12 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.

##### 1.13 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.

##### 1.14 Retirement benefits

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

##### 1.15 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.

##### 1.16 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 leased 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.

# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 2 Judgements and key sources of estimation uncertainty

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

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

##### **Critical judgements**

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

##### **Assessing indicators of impairment**

In assessing whether there have been any indicators of impairment of assets, the directors consider both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

##### **Key sources of estimation uncertainty**

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

##### **Deferred consideration**

In 2019 Kirly Group Holdings Ltd disposed of its investment in NW Brown and Co Ltd. Under the terms of the Sale and Purchase Agreement (SPA) the company received initial consideration and additional consideration at a subsequent date. The additional consideration was agreed to be such sum as is equal to 0.75% of the Completion Assets Under Management (AUM) as derived from the AUM Report or the Revised Completion AUM but in any event capped at £10,000,000. The balance is subject to deductions as detailed within the SPA agreement prior to payment.

On the completion date of the sale the directors calculated estimated deferred consideration, based on available information and their knowledge of the industry, to be £4,812,800. This was included in the accounts for the period ended 31 December 2019, discounted to the present value using a rate of 1.75%.

The calculation is based on estimations of future events and is subject to a high degree of uncertainty. Six-monthly reports are provided to the directors from the purchasers detailing the potential deferred consideration and the directors have reviewed these against their original calculation and consider it to remain appropriate.

The deferred consideration should have been settled within two weeks of 30 September 2021, subject to the agreement of the AUM. If the AUM is disputed the settlement will be made in February 2022. Following the year end the AUM figures are in dispute and the matter, at the time of completion of the accounts, has not been resolved.

# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 3 Other revenue

	2020	2019
	£	£
<b>Other significant revenue</b>		
Interest income	476,283	230,304
Dividends received	1,455,932	2,086,780
Rental income	218,288	-
	<u>          </u>	<u>          </u>

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

#### 4 Operating profit/(loss)

	2020	2019
	£	£
Operating profit/(loss) for the period is stated after charging:		
Depreciation of owned tangible fixed assets	25,381	20,026
Operating lease charges	188,764	216,000
	<u>          </u>	<u>          </u>

#### 5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	10,000	-
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Taxation compliance services	400	-
All other non-audit services	1,000	-
	<u>          </u>	<u>          </u>
	1,400	-
	<u>          </u>	<u>          </u>

#### 6 Employees

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

	2020	2019
	Number	Number
Professional staff	-	6
Office and administration	-	3
	<u>          </u>	<u>          </u>
Total	-	9
	<u>          </u>	<u>          </u>

# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 6 Employees

(Continued)

Employment costs as detailed below are recharged from the parent entity:

	2020 £	2019 £
Wages and salaries	2,432	354,078
Social security costs	1,887	38,095
Pension costs	40,000	30,052
	<u>44,319</u>	<u>422,225</u>

#### 7 Interest receivable and similar income

	2020 £	2019 £
<b>Interest income</b>		
Interest receivable from group companies	456,844	169,713
Other interest income	19,439	60,591
	<u>476,283</u>	<u>230,304</u>
<b>Total interest revenue</b>		
	476,283	230,304
<b>Other income from investments</b>		
Dividends received	1,455,932	2,086,780
	<u>1,932,215</u>	<u>2,317,084</u>
<b>Total income</b>		
	1,932,215	2,317,084

#### 8 Interest payable and similar expenses

	2020 £	2019 £
Other interest	4,382	-
	<u>4,382</u>	<u>-</u>

#### 9 Gains/(losses) on investments

	2020 £	2019 £
<b>Fair value gains/(losses) on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	2,217,666	(34,797)
<b>Other gains/(losses)</b>		
Gain on disposal of financial assets held at fair value through profit or loss	820,635	-
Gain on disposal of financial assets held at cost	-	31,728,608
	<u>3,038,301</u>	<u>31,693,811</u>

# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 10 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	124,342	92,688
Adjustments in respect of prior periods	(27,946)	112,862
Total current tax	96,396	205,550
<b>Deferred tax</b>		
Origination and reversal of timing differences	420,180	11,606
Total tax charge	516,576	217,156

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

	2020 £	2019 £
Profit before taxation	5,141,882	33,988,826
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	976,958	6,457,877
Tax effect of expenses that are not deductible in determining taxable profit	94	38,213
Tax effect of income not taxable in determining taxable profit	(276,626)	(396,488)
Gains not taxable	-	(6,009,136)
Group relief	(160,058)	-
Permanent capital allowances in excess of depreciation	4,154	2,223
Under/(over) provided in prior years	(27,946)	112,862
Deferred tax adjustments in respect of prior years	-	11,605
Taxation charge for the period	516,576	217,156

#### 11 Dividends

	2020 £	2019 £
Final paid	-	1,129,950

# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 12 Tangible fixed assets

	Plant and equipment £
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	516,009
<b>Depreciation and impairment</b>	
At 1 January 2020	383,702
Depreciation charged in the year	25,381
At 31 December 2020	409,083
<b>Carrying amount</b>	
At 31 December 2020	106,926
At 31 December 2019	132,307

#### 13 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	14	2	2
Listed investments		7,483,184	1,373,029
Unlisted investments		39,402	47,177
		<u>7,522,588</u>	<u>1,420,208</u>
<b>Listed investments included above:</b>			
Listed investments carrying amount		<u>7,483,184</u>	<u>1,373,029</u>

#### 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 is valued at amortised cost.

# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 13 Fixed asset investments

(Continued)

#### Movements in fixed asset investments

	Shares in subsidiaries £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2020	2	1,420,206	1,420,208
Additions	-	5,075,899	5,075,899
Valuation changes	-	2,217,665	2,217,665
Impairment	-	(7,775)	(7,775)
Disposals	-	(1,183,409)	(1,183,409)
At 31 December 2020	2	7,522,586	7,522,588
<b>Carrying amount</b>			
At 31 December 2020	2	7,522,586	7,522,588
At 31 December 2019	2	1,420,206	1,420,208

### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Kirly Property Services 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.

### 15 Financial instruments

	2020 £	2019 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	5,323,316	1,420,206

# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 16 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	10,860	214,636
Amounts owed by group undertakings	32,278,293	20,228,486
Other debtors	956,397	734,591
Prepayments and accrued income	106,369	84,106
	<u>33,351,919</u>	<u>21,261,819</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	585,000	685,000
Other debtors	4,650,001	5,522,331
	<u>5,235,001</u>	<u>6,207,331</u>
<b>Total debtors</b>	<u>38,586,920</u>	<u>27,469,150</u>

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

	Notes	2020 £	2019 £
Trade creditors		34,766	42,533
Amounts owed to group undertakings		48,553	-
Corporation tax		191,206	301,343
Other taxation and social security		-	3,221
Deferred income	20	55,687	-
Other creditors		-	45,333
Accruals and deferred income		22,800	304,710
		<u>353,012</u>	<u>697,140</u>

### 18 Provisions for liabilities

	2020 £	2019 £
Dilapidations	<u>210,000</u>	<u>210,000</u>



# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 18 Provisions for liabilities

(Continued)

Movements on provisions:

Dilapidations  
£

At 1 January 2020 and 31 December 2020

210,000

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 24).

#### 19 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Revaluations	431,785	11,606
		2020 £
<b>Movements in the year:</b>		
Liability at 1 January 2020		11,606
Charge to profit or loss		420,179
Liability at 31 December 2020		431,785

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

#### 20 Deferred income

	2020 £	2019 £
Other deferred income	55,687	-

# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 21 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	40,000	30,052

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.

#### 22 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2020	2019	2020	2019
	Number	Number	£	£
Outstanding at 1 January 2020	-	64,000	-	11.74
Exercised	-	(62,500)	-	11.74
Expired	-	(1,500)	-	11.74
Outstanding at 31 December 2020	-	-	-	-
Exercisable at 31 December 2020	-	-	-	-

#### 23 Share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 0.009p each	1,410,339	1,410,339	127	127

#### 24 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:

	2020	2019
	£	£
Within one year	245,000	240,000
Between two and five years	995,000	990,000
In over five years	2,000,000	2,250,000
	3,240,000	3,480,000

##### 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.

# KIRLY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 24 Operating lease commitments

(Continued)

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

	2020 £	2019 £
Within one year	261,280	261,280
Between two and five years	862,570	960,095
In over five years	655,020	818,775
	<u>1,778,870</u>	<u>2,040,150</u>

#### 25 Related party transactions

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.

##### Transactions with related parties

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

The following amounts were outstanding at the reporting end date:

	2020 £	2019 £
<b>Amounts due from related parties</b>		
Other related parties	<u>585,000</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 £585,000 (2019: £685,000). The loan is repayable in 5 equal instalments commencing 1 August 2020. Interest is payable annually and is charged at LIBOR plus five percent. Interest of £49,822 was charged during the year to 31 December 2020 (2019: £41,222).

#### 26 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.

The smallest and largest group that the company is consolidated into is the group accounts for Kirly Limited. Accounts for this group can be found at the address disclosed above.