

DESKLODGE LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

DESKLODGE LTD

COMPANY INFORMATION

DIRECTOR	T Ball
COMPANY SECRETARY	H Romain
REGISTERED NUMBER	06390957
REGISTERED OFFICE	Desk lodge House 2 Redcliffe Way Bristol BS1 6NL
INDEPENDENT AUDITORS	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 10 Temple Back Bristol BS1 6FL

CONTENTS

	Page
Group strategic report	1 - 3
Director's report	4
Director's responsibilities statement	5
Independent auditors' report	6 - 9
Consolidated statement of comprehensive income	10
Consolidated statement of financial position	11
Company statement of financial position	12
Consolidated statement of changes in equity	13
Company statement of changes in equity	14
Consolidated Statement of cash flows	15
Consolidated analysis of net debt	16
Notes to the financial statements	17 - 32

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

INTRODUCTION

The director presents the group financial statements for the year ended 31 December 2021.

BUSINESS REVIEW

Impact of Coronavirus

During the imposed lockdowns, DeskLodge ("DL") closed for hotdesking and meeting rooms. Members with fixed desks or Private offices were still able to use their office space and general areas. DL invested in safety measures including entrance temperature gauges, plastic screens – as well as re-arranging areas to create more socially distanced, user-friendly space.

In early 2021 with another lockdown imposed several existing contracts finished and it proved slow going to fill the spaces at DLH. This improved throughout the year and by the end of 2021 most offices were let. We continued to support members during the December lockdown, which did not close offices but put the focus on members discretion regarding where they could work.

2021 was a tough year operationally due to Covid. During this period, costs were monitored carefully, and restricted where possible to protect working capital. Additionally, some capital expenditure projects, such as bathroom refurbishment at DLH, were delayed again to protect working capital. We expect to return to full occupancy in early 2022 – but will need to invest in staff and delayed capital expenditure urgently in 2022.

Innovation

We found that a move to hybrid working meant that companies wanted to rent offices ad hoc for a day, rather than use open space or commit to full time office space. So we launched two new services: "part-time offices" and "day offices":

A "part-time office" is a private office, complete with screens and power on each desk. These let a company book an office for a certain number of regular days each week, and then the staff can pay to use the hotdesking areas the rest of the week or work from home. These offices were also opened up for ad-hoc day hire, without the need for a contract, to maximise the potential to make income in a difficult situation. We now monitor meeting room bookings as prospects to use day-offices, before moving to a regular part-time office and potentially a normal, full-time office.

These products are more intensive on staff time, but more profitable when full. More importantly, they allow us to have a (currently unique in Bristol) offering, which attracts companies who are likely to grow with us. Having the option of a part-time office also serves as a "holding pattern" for companies waiting for a full-time office with us, giving fewer voids and fewer client losses when we cannot help them immediately.

Existing locations

During the autumn of 2020, DL became aware that the Landlords of DeskLodge House were seeking to dispose of the building. DL negotiated with a previous lender to borrow some funds to add to funds DL held already and managed to purchase the leasehold of the building. This is owned by Ringstead 201 Ltd, a subsidiary wholly owned by DeskLodge Ltd.

Financial year 2021 has seen a lot of change. The lease at 100 Victoria Street, Bristol finished on 27 July 2021, and the leases at 1 Temple Way, Bristol was negotiated to finish on 31 December 2021. Much of the office equipment and some useful Fixtures and Fittings are now in storage for future locations. We have worked hard to retain fixtures and fittings for re-use for both environmental reasons and to reduce our reliance on supply chains for new buildings.

New Locations

A new location was taken on at the 4th floor of One Castle Park in the form of a lease re-assignment. Due to a late change of landlord, this new location can only be occupied by two or three companies and will not be run as a standard DeskLodge style location. DL was able to negotiate a good deal with biggest member, and they have moved from 1 Temple Way to One Castle Park. Companies are being sought for the smaller remaining wing. As this is a different type of location, the fitout spend has been lower, with the branded and specialist fitout costs paid by the tenant.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Future locations

In February 2022 we signed an agreement for lease on a new space in Central Bristol. This would bring the capacity in Bristol overall back to the levels when DLH & 1 Temple Way were both running. This location will come on stream later in 2022 as the landlord will be making substantial refurbishments before DL moves in. An effective deal is being negotiated with a long rent-free period at the start. The plan is to pre-sell the space so that the building can be filled quickly. That said, for 2022 the costs are likely to far outweigh the income. The costs will be funded from current savings; no new loans are planned.

Strategic management

DL now has a strong senior leadership team who meet weekly with daily update calls. They also have quarterly reviews of long-term and short-term goals and to set the strategy for the next quarter.

DL recognises the importance of its staff and their role in the creation of the right atmosphere at each of its locations. Staff are carefully selected, and once established are encouraged to develop their skills and progress within the company. DL offer both internal and external training as the norm.

During 2022, DL will start the process applying to be certified as a B-Corp business, to improve and showcase the healthy way we believe we run the business. We hope that being able to prove this will have a positive impact on finding and retaining both staff and members.

In terms of the longer goals, the business plan is to open approx. 20 new locations in the southwest over the next 8 years; being a mixture of larger and smaller venues. DL are aiming to provide the best working experience for the small business community. "It looks like work, feels like fun: this is hybrid working 2022". This growth is expected to be funded by a mix of revenue and short-term debt. Our balance sheet is in a strong position to support this - but we are open to selling equity if required.

PRINCIPAL RISKS AND UNCERTAINTIES

Imposed lockdowns

The lockdowns have been tough times. DL was eligible for the HMRC Job Retention Scheme, but no other government assistance was available. Staff were furloughed for the initial lockdown, and then continued to be partially furloughed during periods of low members on site.

The government's continued stance on "working from home" is a concern, but midway through 2021 we began to see signs of a real appetite to return to the workplace. DL is geared to allow tenants to increase or decrease office space with relative ease and is always looking for new ideas to suit the market, such as the Hoffice.

Competitors

There are several other serviced office providers in Bristol, however the style of Desklodge, and the desire to build a community for the residents seems to be popular.

During the recent quieter periods, a lot of work has been undertaken on the DL branding and reviewing all our communications and publicity.

Growth

In terms of seeking new locations, care will be taken to examine possible sites considering the experience gained from existing locations. DL will review local communities to assess whether the DL brand and desire for community will be received well.

Finance

Desklodge is due to seek a more efficient mortgage for the Desklodge House property (owned by subsidiary Ringstead 201 Ltd). The current facility with Stondon Capital has been extended to March 2023 but is expensive; so alternative finance will be sought to reduce costs. We looked at refinancing this in 2021 but decide that it was better to wait for a lower long-term rate after this audit and location changes rather than lock-in the higher rate we could achieve at the time.

The loan with Stondon Capital includes covenants for EBITDA and Debt Ratio, and DL have been fully compliant with these for the

whole year.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL KEY PERFORMANCE INDICATORS

Profit and Loss

Turnover for the year for the group was £2.8m from 3.5 locations (2020: £3.2m).

In addition to this turnover, the group also received compensation for the early surrender of the leases at 1 Temple Way, totalling £2.4m. This compensation was recognised over the 15 months between the surrender being agreed and the move out. This means 80% (£1.92m) was recognised in 2021 and 20% (£0.48m) was recognised in 2020. These funds partially financed the purchase of the building DeskLodge House, the flagship of the company. EBITDA figures are £3m (inclusive of compensation), and £1.1m without compensation. This is an increase of 38% on the previous year (excluding compensation) (2020: £1.3m; £796k without compensation).

After operating costs for the locations, and all overheads have been allocated, the company has posted pre-tax profits of £2.1m (2020: £1.1m).

The pre-tax operating profit margin for the year is 12%, this has remained the same as the previous year. (Figures excluding compensation).

Financial Position

The group is showing £926k in the bank, an increase of 200% compared to the previous year (2020: £301k).

Current assets are valued at £1.2m, (2020: £1.1m). Fixed assets are valued at £6.9m (2020: £7.4m).

There are current liabilities of £5.1m, (2020: £3.9m); Non-current liabilities of £Nil (2020: £3.5m).

Net assets remain strong at £2.5m, an increase of 150% compared to the previous year (2020: £1.0m).

The debt ratio is strong at 0.68:1. This has significantly improved since the beginning of the financial year when it was 2.68:1 and reflects the strong financial position of DL.

The long-term liabilities from leases has dropped from £4.5m to £0.6m primarily due to the DL group now owning DeskLodge House.

Financial forecast

The director has prepared forecasts that demonstrate the company anticipates to generate sufficient working capital to meet its day to day working capital requirements for a period of at least 12 months from the date of approval of these statutory accounts.

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

T Ball

Director

Date: 13 April 2022

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The director presents his report and the financial statements for the year ended 31 December 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,320,490 (2020: £871,015).

No dividends were paid during the period (2020: £Nil).

DIRECTOR

The director who served during the year was:

T Ball

FUTURE DEVELOPMENTS

In February 2022 we signed an agreement for lease on a new space in Central Bristol. This would bring the capacity in Bristol overall back to the levels when DLH & 1 Temple Way were both running. This location will come on stream later in 2022 as the landlord will be making substantial refurbishments before DL moves in. An effective deal is being negotiated with a long rent-free period at the start. The plan is to pre-sell the space so that the building can be filled quickly. That said, for 2022 the costs are likely to far outweigh the income. The costs will be funded from current savings; no new loans are planned.

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Group since the year end.

AUDITORS

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

T Ball

Director

Date: 13 April 2022

Deskldodge House
2 Redcliffe Way
Bristol
BS1 6NL

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

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

The director is 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DESKLODGE LTD

OPINION

We have audited the financial statements of Deskldodge Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated Statement of cash flows, the Consolidated analysis of net debt, the Consolidated and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's 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 Group's or the parent 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 director 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 Auditors' report thereon. The director is 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DESKLODGE LTD (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Group strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Director's report have 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Director's report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Director's responsibilities statement set out on page 5, the director is 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 director determines 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 director is responsible for assessing the Group's and the parent 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 director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Group 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:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DESKLODGE LTD (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations we have considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management and the board about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to incorrect recognition of revenue management override of controls using manual journal entries, and these were identified as the greatest potential areas for fraud.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty. These included data protection legislation, health and safety regulations, Company law, tax and employment legislation and relevant environmental legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of management and those charged with governance concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- undertaking these procedures in relation to significant components as considered appropriate;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team

members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout

the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in the Financial Statements or non-compliance with regulation, will be detected by us. This risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the Financial Statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DESKLODGE LTD (CONTINUED)

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

OTHER MATTERS

In forming our opinion on the group financial statements, which is not modified, we note the prior period group financial statements were not audited. Consequently, International Standards on Auditing (UK & Ireland) require the auditor to state that the group corresponding figures contained within these financial statements are unaudited.

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 Auditors' 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.

John Talbot FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 14 June 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	Unaudited 2020 £
Turnover		2,851,862	3,269,908
Cost of sales		(101,829)	(161,309)
Gross profit		2,750,033	3,108,599
Administrative expenses		(2,564,511)	(2,686,790)
Exceptional other income	12	1,920,000	480,000
Other operating income		67,999	215,586
Operating profit		2,173,521	1,117,395
Interest receivable and similar income		396	2,092
Interest payable and similar expenses		(361,452)	(23,985)
Profit before tax		1,812,465	1,095,502
Tax on profit		(491,975)	(224,487)
Profit for the financial year		1,320,490	871,015

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 17 to 32 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	Unaudited 2020 £
Fixed assets			
Tangible assets	13	6,871,640	7,455,776
		<u>6,871,640</u>	<u>7,455,776</u>
Current assets			
Debtors: amounts falling due within one year	14	317,439	920,479
Cash at bank and in hand	15	926,321	306,720
		<u>1,243,760</u>	<u>1,227,199</u>
Creditors: amounts falling due within one year	16	(5,100,407)	(3,903,342)
Net current liabilities		<u>(3,856,647)</u>	<u>(2,676,143)</u>
Total assets less current liabilities		<u>3,014,993</u>	<u>4,779,633</u>
Creditors: amounts falling due after more than one year	17	-	(3,450,000)
Provisions for liabilities			
Deferred tax	19	(360,242)	(138,260)
Other provisions	20	(142,888)	-
		<u>(503,130)</u>	<u>(138,260)</u>
Net assets		<u><u>2,511,863</u></u>	<u><u>1,191,373</u></u>
Capital and reserves			
Called up share capital		131	131
Share premium account		106,403	106,403
Profit and loss account		2,405,329	1,084,839
		<u><u>2,511,863</u></u>	<u><u>1,191,373</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

T Ball
Director

Date: 13 April 2022

The notes on pages 17 to 32 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	707,930	1,166,276
Investments		10	10
		<u>707,940</u>	<u>1,166,286</u>
Current assets			
Debtors: amounts falling due within one year	14	6,478,643	7,221,754
Cash at bank and in hand	15	925,743	306,720
		<u>7,404,386</u>	<u>7,528,474</u>
Creditors: amounts falling due within one year	16	(5,205,267)	(4,099,677)
Net current assets		<u>2,199,119</u>	<u>3,428,797</u>
Total assets less current liabilities		<u>2,907,059</u>	<u>4,595,083</u>
Creditors: amounts falling due after more than one year	17	-	(3,450,000)
Provisions for liabilities			
Deferred taxation	19	(360,242)	(138,260)
Other provisions	20	(142,888)	-
		<u>(503,130)</u>	<u>(138,260)</u>
Net assets		<u><u>2,403,929</u></u>	<u><u>1,006,823</u></u>
Capital and reserves			
Called up share capital	21	131	131
Share premium account	22	106,403	106,403
Profit and loss account brought forward		900,289	213,824
Profit for the year		1,397,106	686,465
Profit and loss account carried forward		<u>2,297,395</u>	<u>900,289</u>
		<u><u>2,403,929</u></u>	<u><u>1,006,823</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

T Ball
Director

Date: 13 April 2022

The notes on pages 17 to 32 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021 (Unaudited)	131	106,403	1,084,839	1,191,373
Profit for the year	-	-	1,320,490	1,320,490
At 31 December 2021	131	106,403	2,405,329	2,511,863

The notes on pages 17 to 32 form part of these financial statements.

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020 (Unaudited)	124	106,409	213,824	320,357
Profit for the year	-	-	871,015	871,015
Share capital correction	7	-	-	7
Share premium correction	-	(6)	-	(6)
At 31 December 2020 (Unaudited)	131	106,403	1,084,839	1,191,373

The notes on pages 17 to 32 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	131	106,403	900,289	1,006,823
Profit for the year	-	-	1,397,106	1,397,106
At 31 December 2021	131	106,403	2,297,395	2,403,929

The notes on pages 17 to 32 form part of these financial statements.

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	124	106,409	213,824	320,357
Profit for the year	-	-	686,465	686,465
Share correction	7	-	-	7
Share premium correction	-	(6)	-	(6)
At 31 December 2020	131	106,403	900,289	1,006,823

The notes on pages 17 to 32 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	Unaudited 2020 £
Cash flows from operating activities		
Profit for the financial year	1,320,490	871,015
Adjustments for:		
Depreciation of tangible assets	640,513	350,699
Loss on disposal of tangible assets	44,148	684
Interest paid	361,452	23,985
Interest received	(396)	(2,092)
Taxation charge	491,975	224,487
Decrease/(increase) in debtors	598,754	(668,954)
(Decrease)/increase in creditors	(1,886,701)	2,043,384
Increase in provisions	142,888	-
Corporation tax (paid)/received	(86,227)	-
Net cash generated from operating activities	1,626,896	2,843,208
Cash flows from investing activities		
Purchase of tangible fixed assets	(112,325)	(6,547,801)
Sale of tangible fixed assets	16,086	-
Interest received	396	2,092
Net cash from investing activities	(95,843)	(6,545,709)
Cash flows from financing activities		
New secured loans	-	3,750,000
Repayment of other loans	(550,000)	-
Interest paid	(361,452)	(23,985)
Net cash used in financing activities	(911,452)	3,726,015
Net increase in cash and cash equivalents	619,601	23,514
Cash and cash equivalents at beginning of year	306,720	283,206
Cash and cash equivalents at the end of year	926,321	306,720
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	926,321	306,720
	926,321	306,720

The notes on pages 17 to 32 form part of these financial statements.

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	Other non-cash changes £	At 31 December 2021 £
Cash at bank and in hand	306,720	619,601	-	926,321
Debt due after 1 year	(3,450,000)	250,000	3,200,000	-
Debt due within 1 year	(300,000)	300,000	(3,200,000)	(3,200,000)
	<u>(3,443,280)</u>	<u>1,169,601</u>	<u>-</u>	<u>(2,273,679)</u>

The notes on pages 17 to 32 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. GENERAL INFORMATION

Deskldodge Limited is a limited liability company which is incorporated in England and Wales and has a registered office of Deskldodge House, 2 Redcliffe Way, Bristol, BS1 6NL. Its principal activity during the year continued to be the provision of serviced office space.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and are non-statutory financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 GOING CONCERN

The economic impact of the COVID-19 crisis presents a potential risk to the Group. However, to date the company has remained trading with sufficient cash reserves to continue trading and wider economic indications present an increased return to office working as COVID-19 subsides. Cost savings have also been implemented, including utilising government support schemes available. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is able to operate within the level of its current financing.

At the year end date the company has a loan of £3,200,000 which is repayable in monthly instalments of £25,000 up to September 2022 increasing to £50,000 in October 2022 to March 2023, when the balance of the loan is repayable. Subsequent to the year end the group has paid all monthly instalments of the loan and satisfied all of the covenants attached to the loan. At the time of approval of the financial statements the director is renegotiating a new loan facility and is in advanced discussions with other lenders who have expressed a willingness to lend. The director is confident that this new facility will be in place by the time the final instalment payment on the existing loan becomes due.

The director has, therefore, concluded that it is appropriate for the accounts to be prepared on the basis of going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)**2.4 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

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

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

2.5 OPERATING LEASES: THE GROUP AS LESSEE

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.7 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.8 FINANCE COSTS

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)**2.9 PENSIONS****DEFINED CONTRIBUTION PENSION PLAN**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.10 CURRENT AND DEFERRED TAXATION

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.12 TANGIBLE FIXED ASSETS

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

2.12 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

Depreciation is provided on the following basis:

Long-term leasehold property	-	10%	straight line
Plant and machinery	-	20%	straight line
Motor vehicles	-	25%	reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.16 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)**2.18 FINANCIAL INSTRUMENTS**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3.

JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the year.

Key sources of estimation uncertainty**Useful Economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets.

Dilapidations provision

The Company is engaged in lease arrangements. As part of the lease arrangements, the company is responsible for the cost of replacing, reinstalling or rectifying the assets where there is a present contractual or statutory requirement. The dilapidations provision is based on the future expected repair costs required to restore the leased building to their fair condition at the end of their respective lease term.

4. **TURNOVER**

Analysis of turnover by country of destination:

	2021 £	Unaudited 2020 £
United Kingdom	2,851,862	3,269,908
	<u>2,851,862</u>	<u>3,269,908</u>

5. **OTHER OPERATING INCOME**

	2021 £	Unaudited 2020 £
Other operating income	8,621	137,126
Furlough grants receivable	59,378	78,460
	<u>67,999</u>	<u>215,586</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. OPERATING PROFIT

The operating profit is stated after charging:

	2021	Unaudited 2020
	£	£
Depreciation of tangible fixed assets	393,242	355,048
Other operating lease rentals	<u>649,445</u>	<u>743,508</u>

7. AUDITORS' REMUNERATION

	2021	Unaudited 2020
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>8,750</u>	<u>8,500</u>

8. EMPLOYEES

Staff costs, including director's remuneration, were as follows:

	Group 2021	Group (Unaudited) 2020	Company 2021	Company 2020
	£	£	£	£
Wages and salaries	363,348	391,988	363,348	391,988
Social security costs	33,477	34,804	33,477	34,804
Cost of defined contribution scheme	13,324	14,291	13,324	14,291
	<u>410,149</u>	<u>441,083</u>	<u>410,149</u>	<u>441,083</u>

The average monthly number of employees, including the director, during the year was as follows:

	Group 2021	Group (Unaudited) 2020	Company 2021	Company 2020
	No.	No.	No.	No.
Employees	<u>14</u>	<u>18</u>	<u>14</u>	<u>18</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. INTEREST RECEIVABLE

	2021 £	Unaudited 2020 £
Other interest receivable	396	2,092
	<u>396</u>	<u>2,092</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	Unaudited 2020 £
Bank interest payable	10,500	-
Other loan interest payable	350,952	23,985
	<u>361,452</u>	<u>23,985</u>

11. TAXATION

	2021 £	Unaudited 2020 £
CORPORATION TAX		
Current tax on profits for the year	233,745	86,227
Adjustments in respect of previous periods	36,248	-
	<u>269,993</u>	<u>86,227</u>
TOTAL CURRENT TAX	<u>269,993</u>	<u>86,227</u>
DEFERRED TAX		
Origination and reversal of timing differences	178,321	138,260
Changes to tax rates	43,661	-
	<u>221,982</u>	<u>138,260</u>
TOTAL DEFERRED TAX	<u>221,982</u>	<u>138,260</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>491,975</u>	<u>224,487</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	Unaudited 2020 £
Profit on ordinary activities before tax	<u>1,812,465</u>	<u>1,095,502</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	344,368	208,145
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,379	6,516
Capital allowances for year in excess of depreciation	(3,412)	5,552
Non-taxable income	(342,000)	-
Chargeable gains	301,964	-
Movement in deferred tax for change in tax rates	86,458	4,382
Movement in deferred tax not recognised	28,174	(108)
Other differences leading to an increase (decrease) in the tax charge	75,044	-
TOTAL TAX CHARGE FOR THE YEAR	<u>491,975</u>	<u>224,487</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In March 2021, the Chancellor announced that the corporation tax rate from 1 April 2023 would increase to a maximum rate of 25%. Finance Act 2021 including this increase received Royal Assent on 10 June 2021.

12. EXCEPTIONAL ITEMS

	2021 £	Unaudited 2020 £
Compensation for early lease termination	1,920,000	480,000
	<u>1,920,000</u>	<u>480,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. TANGIBLE FIXED ASSETS

Group (Unaudited)

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
COST OR VALUATION				
At 1 January 2021	6,332,995	2,121,837	5,000	8,459,832
Additions	-	112,325	-	112,325
Disposals	-	(468,729)	-	(468,729)
At 31 December 2021	6,332,995	1,765,433	5,000	8,103,428
DEPRECIATION				
At 1 January 2021	10,149	989,799	4,108	1,004,056
Charge for the year on owned assets	130,139	505,863	225	636,227
Disposals	-	(408,495)	-	(408,495)
At 31 December 2021	140,288	1,087,167	4,333	1,231,788
NET BOOK VALUE				
At 31 December 2021	6,192,707	678,266	667	6,871,640
At 31 December 2020	6,322,846	1,132,038	892	7,455,776

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
COST OR VALUATION				
At 1 January 2021	43,495	2,121,837	5,000	2,170,332
Additions	-	112,325	-	112,325
Disposals	-	(468,729)	-	(468,729)
At 31 December 2021	43,495	1,765,433	5,000	1,813,928
DEPRECIATION				
At 1 January 2021	10,149	989,799	4,108	1,004,056
Charge for the year on owned assets	4,349	505,863	225	510,437
Disposals	-	(408,495)	-	(408,495)
At 31 December 2021	14,498	1,087,167	4,333	1,105,998
NET BOOK VALUE				
At 31 December 2021	28,997	678,266	667	707,930
At 31 December 2020	33,346	1,132,038	892	1,166,276

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. DEBTORS

	Group 2021 £	Group (Unaudited) 2020 £	Company 2021 £	Company 2020 £
AMOUNTS DUE WITHIN ONE YEAR				
Trade debtors	28,588	19,902	28,588	19,902
Amounts owed by group undertakings	-	-	6,180,018	6,321,115
Other debtors	54,285	66,314	54,285	65,173
Prepayments and accrued income	234,566	834,263	215,752	815,564
	317,439	920,479	6,478,643	7,221,754

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

15. CASH AND CASH EQUIVALENTS

	Group 2021 £	Group (Unaudited) 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	926,321	306,720	925,743	306,720
	926,321	306,720	925,743	306,720

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group (Unaudited) 2020 £	Company 2021 £	Company 2020 £
Other loans	3,200,000	300,000	3,200,000	300,000
Trade creditors	488,094	353,502	488,094	353,502
Amounts owed to group undertakings	-	-	196,335	196,335
Corporation tax	269,993	86,227	207,961	86,227
Other taxation and social security	106,512	217,389	77,069	217,389
Other creditors	135,397	359,958	135,397	359,958
Accruals and deferred income	900,411	2,586,266	900,411	2,586,266
	5,100,407	3,903,342	5,205,267	4,099,677

See note 18 for further information on other loans.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	Group 2021	Group (Unaudited) 2020	Company 2021	Company 2020
	£	£	£	£
Other loans	-	3,450,000	-	3,450,000
	<u>-</u>	<u>3,450,000</u>	<u>-</u>	<u>3,450,000</u>

The other loan incurs interest at 10% per annum. At the year end date the loan was due to be settled within one year. Subsequent to the year end, the loan was revised with repayment terms extended to 2023.

18. LOANS

Analysis of the maturity of loans is given below:

	Group 2021	Group (Unaudited) 2020	Company 2021	Company 2020
	£	£	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR				
Other loans	3,200,000	300,000	3,200,000	300,000
	<u>3,200,000</u>	<u>300,000</u>	<u>3,200,000</u>	<u>300,000</u>
AMOUNTS FALLING DUE 1-2 YEARS				
Other loans	-	3,450,000	-	3,450,000
	<u>-</u>	<u>3,450,000</u>	<u>-</u>	<u>3,450,000</u>
	<u>3,200,000</u>	<u>3,750,000</u>	<u>3,200,000</u>	<u>3,750,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19. DEFERRED TAXATION

Group

	2021 £	2020 £
At beginning of year (Unaudited)	(138,260)	-
Charged to profit or loss	(221,982)	(138,260)
AT END OF YEAR	(360,242)	(138,260)

Company

	2021 £	2020 £
At beginning of year	(138,260)	-
Charged to profit or loss	(221,982)	(138,260)
AT END OF YEAR	(360,242)	(138,260)

	Group 2021 £	Group (Unaudited) 2020 £	Company 2021 £	Company 2020 £
Fixed asset timing differences	(112,735)	(138,477)	(112,735)	(138,477)
Tax losses carried forward	-	217	-	217
Roll over relief	(247,507)	-	(247,507)	-
	(360,242)	(138,260)	(360,242)	(138,260)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. PROVISIONS

Group (Unaudited)

	Dilapidations £
Charged to profit or loss	142,888
AT 31 DECEMBER 2021	<u>142,888</u>

Company

	Dilapidation £	Total £
Charged to profit or loss	142,888	142,888
AT 31 DECEMBER 2021	<u>142,888</u>	<u>142,888</u>

21. SHARE CAPITAL

	2021 £	2020 £
ALLOTTED, CALLED UP AND FULLY PAID		
6,530,191 (2020: 6,530,191) Ordinary shares of £0.00002 each	<u>131</u>	<u>131</u>

22. RESERVES**Share premium account**

This includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

This includes all current and prior period retained profits and losses.

23. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £13,324 (2020: £14,291). Contributions totalling £2,139 (2020: £2,204) were payable to the fund at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021	Group (Unaudited) 2020	Company 2021	Company 2020
	£	£	£	£
Not later than 1 year	275,246	179,232	864,252	768,238
Later than 1 year and not later than 5 years	679,741	647,061	3,035,765	3,003,085
Later than 5 years	244,000	161,765	2,600,024	3,106,795
	<u>1,198,987</u>	<u>988,058</u>	<u>6,500,041</u>	<u>6,878,118</u>

25. RELATED PARTY TRANSACTIONS

Included within debtors at the year end is a balance of £50,000 (2020: £62,500) owed by a shareholder of the company.

26. CONTROLLING PARTY

The ultimate controlling party is Tom Ball.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.