Company Registration No. 07335576 (England and Wales)

CITRINE NETWORK LIMITED

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CITRINE NETWORK LIMITED

COMPANY INFORMATION

Directors	Mr S S Dhillon Mr B K Dhillon
Company number	07335576
Registered office	28-34 Albert Street Birmingham West Midlands United Kingdom B4 7UD
Auditor	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY
Bankers	HSBC Bank Plc 34 Poplar Road Solihull West Midlands B91 3AF

CITRINE NETWORK LIMITED

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CITRINE NETWORK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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

Section 172 Statement of engagement with our key stakeholders
We recognise and understand our responsibility to all our stakeholders and although this has always formed part of our considerations, we would now like to take this opportunity to explain how they play an essential part within the business including their influences on our decisions at board level. Below is a list of these stakeholders, together with details of their interests and our methods of engagements that help to create the long-term relationships and sustainable success of the company.

Employees:

During 2020/21, the business focused on the impact of the COVID-19 pandemic upon the workforce and action was taken by the business to support the workforce. Feedback was sought in form of a survey from the workforce, responses such as anxiety around the pandemic, challenges to adapting to different ways of working and well being affected by work life balance.

The business introduced range of initiatives and activities designed to support the workforce such as:
- Zoom calls to talk, listen and support the workforce;
- Newsletter sent out every 2 weeks;
- Training on health and safety;
- General training;
- Drop-in sessions on Zoom for help on any issues;
- Provision of new/additional IT equipment to support employees working from home.

We employ around 300 employees across our offices and stores in the United Kingdom. Having a motivated and innovative workforce is key to our success, as a large proportion of our personnel are public facing and instil the reputation of our company in their actions and professional manner. It is therefore important that any decisions made at board level have due consideration of our workforce as ultimately, they have hands on knowledge of customer opinion and interaction.

We maintain close relationships with all our staff due to the hierarchical structure that encourages the passing up and down of communications, opinions, ideas and statistics, both freely and regularly. With regular regional meetings and key communication channels made available this encourages the engagement of all our staff and allows a good measure of employee satisfaction and team cohesion.

Customers:

Our number one priority is keeping our customers safe by providing adequate and sufficient PPE in store to be able to engage our customers in face-to face communication. With diverse and adaptive applications and customer online logins, we provided up to date information. We perform customer surveys and strive for annual improvements in our measures of customer satisfaction to ensure the renewal and longevity of our contracts. Efficient workforces enable us to provide high level customer service in a very limited time.

As a retailer in a technologically dynamic, innovative and competitive sector, we understand that the sustainability and long-term success of the company is only possible through a good and well-informed customer driven business model. With over 300,000 customers we see the importance of ensuring information to the user is clear, timely and easily accessible, allowing the latest products and updates to be communicated from us as a company and not from our competitors. We tailor make any strategic decisions at board level around this increasing market exposure and understand the importance of maintaining a loyal and repeatable customer base.

Environment:

In order to meet the ESOS Compliance obligation, the Citrine Network Limited group undertook an ESOS Audit by appointing an assessor. The total energy consumption includes buildings and transport. The building outperforms the good performance benchmark of CIBSE while for the transport, there is significant opportunity to replace existing diesel vehicles with electrical vehicles.

Being one of the UK's larger O2 franchisees we understand that we have a responsibility to the environment to limit the effects of pollution and the contributing global carbon footprint when meeting the demands for ever advancing replacement handsets and data migration. Wherever possible we strive to find innovative ways to maintain communication links and ensure our standards of high-level service to our customers are adhered to.

We strongly support O2's recycling scheme, which allows for valuable minerals within handset components to be reused in new and repaired devices limiting the effect on landfill refuse. This coupled with innovative, and user tailored applications and web logins allows for movement of information and communication without laboured processes which often logistically add to the carbon footprint of the business.

Suppliers:

Throughout the year, we have managed to work in harmony with our suppliers, to have our needs met and adapted to different ways. Our suppliers changed the way of providing information to us during the pandemic.

Being a franchisee of O2 we appreciate that their global influence effects our current and ongoing decisions at board level and their ethos is intrinsically embedded within the culture and behaviour of our stores. Conversely, we also understand that the action of our business also effects the overall reputation and sustainability of the franchise, particularly from our face-to-face level contact with the ultimate customer. Without a good relationship with our supplier the delivery of devices, projects and efficiencies could not be instilled, which is extremely important within our dynamic market sector.

We maintain a strong and close relationship with our supplier through regular updates, attending conferences and adhering to our contractual franchise agreement. All key operational and strategic decisions are impacted by our relationship with our supplier to ensure the standardisation and market exposure that is require from all O2's franchisees.

Review of business

The group's financial results for the year and its financial position at the year end can be found in the annexed financial statements.

During the year the group turnover decreased to £24.7m from £50.0m as a result of retail outlets being closed for several months during the COVID-19 pandemic. Profit before tax increased to £6.7m from £2.5m which demonstrates that despite the reduction in turnover there is continued profitability across the existing store network.

The group balance sheet shows net assets of £13.3m which has increased from the £10.4m balance in the previous year.

As directors we are happy with the performance and position of the company at the year end.

Principal risks and uncertainties
We consider that the principal risks and uncertainties of the group are those relating to competition within the industry sector, the current economic environment, technological changes and the risk of stock obsolescence due to these technological changes. All of these risks are monitored regularly by us as directors to ensure that these risks are minimised, particularly in terms of reviewing stock holding levels and industry specific news.

COVID-19 is noted as being a significant risk to the group. Due to the retail nature of the business, stores were closed during 2020 and as the pandemic continues to impact there is a risk of further closures in the future. We are confident that these risks can be managed and the group will implement measures to minimise the impact on the business.

Key performance indicators
We measure performance based on the overall performance of each store and also the level of both positive and negative customer feedback, as they consider this to be the key performance indicator of the business.

On behalf of the board

Mr S S Dhillon
Director

22 December 2021

CITRINE NETWORK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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

Principal activities
The principal activity of the company and group in the year under review continued to be that of mobile phone retailing.

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

Mr S S Dhillon
Mr B K Dhillon

Results and dividends
The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £2,579,250. The directors do not recommend payment of a further dividend.

Financial risk management objectives and policies

Liquidity risk
The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Credit risk
Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors concerning the performance of the group. This is achieved through formal and informal meeting with employees. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Future developments
We aim to continue with the expansion of the group through increased volume within existing stores and also to make further acquisitions and to expand its network of stores when opportunities arise.

Auditor
In accordance with the company's articles, a resolution proposing that Ormerod Rutter Limited be reappointed as auditor of the group will be put at a General Meeting.

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

Mr S S Dhillon
Director

22 December 2021

CITRINE NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITRINE NETWORK LIMITED

Opinion

We have audited the financial statements of Citrine Network Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 March 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

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

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 strategic report and the directors' report.

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

- adequate accounting records have not been kept 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 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.

Based on our understanding of the company, we identified the principle risks of non-compliance with laws and regulations including those that have a direct impact on the preparation of financial statements such as the Companies Act 2006, and the extent to which non-compliance might have a material effect on the financial statements. Audit procedures performed included discussions with management, testing of journals, designing and performing audit procedures and challenging assumptions and judgements made by management.

There are inherent limitations in the audit procedures described above. We are likely to become aware of instances of non-compliance with laws and regulations which are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, intentional misstatement or through collusion.

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.

Colm McGrory FCA (Senior Statutory Auditor)
For and on behalf of Ormerod Rutter Limited

23 December 2021

Chartered Accountants
Statutory Auditor

The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

CITRINE NETWORK LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	**3**	24,701,389	50,024,150
Cost of sales		(13,331,749)	(35,303,883)
Gross profit		11,369,640	14,720,267
Administrative expenses		(8,301,243)	(12,065,927)
Other operating income		3,291,381	25,000
Operating profit	**4**	6,359,778	2,679,340
Interest receivable and similar income	**8**	1,864	7,196
Interest payable and similar expenses	**9**	(2,724)	(1,072)
Fair value gains and losses on fixed asset investments	**10**	365,762	(150,171)
Profit before taxation		6,724,680	2,535,293
Taxation	**11**	(1,271,389)	(303,045)
Profit for the financial year	**27**	5,453,291	2,232,248

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

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

CITRINE NETWORK LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	**13**		1,933		3,991
Tangible assets	**14**		1,481,700		1,621,897
Investment properties	**15**		230,440		335,440
Investments	**16**		61,415		1,386,384
			1,775,488		3,347,712
Current assets					
Stocks	**20**	72,376		2,118,789	
Debtors	**21**	4,178,002		6,938,487	
Cash at bank and in hand		15,081,942		11,807,642	
		19,332,320		20,864,918	
Creditors: amounts falling due within one year	**22**	(6,679,514)		(12,212,685)	
Net current assets			12,652,806		8,652,233
Total assets less current liabilities			14,428,294		11,999,945
Creditors: amounts falling due after more than one year	**23**		(1,115,110)		(1,497,345)
Provisions for liabilities					
Deferred tax liability	**24**	31,025		94,482	
			(31,025)		(94,482)
Net assets			13,282,159		10,408,118
Capital and reserves					
Called up share capital	**26**		35,100		35,100
Profit and loss reserves	**27**		13,247,059		10,373,018
Total equity			13,282,159		10,408,118

The financial statements were approved by the board of directors and authorised for issue on 22 December 2021 and are signed on its behalf by:

Mr S S Dhillon
Director

CITRINE NETWORK LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	**14**		1,130,009		1,130,009
Investment properties	**15**		230,440		230,440
Investments	**16**		3,209,007		3,209,007
			4,569,456		4,569,456
Current assets					
Debtors	**21**	2,450,857		2,222,570	
Cash at bank and in hand		9,505,143		7,688,284	
		11,956,000		9,910,854	
Creditors: amounts falling due within one year	**22**	(3,165,282)		(3,864,388)	
Net current assets			8,790,718		6,046,466
Net assets			13,360,174		10,615,922
Capital and reserves					
Called up share capital	**26**		35,100		35,100
Profit and loss reserves	**27**		13,325,074		10,580,822
Total equity			13,360,174		10,615,922

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £5,323,502 (2020 - £2,176,810 profit).

The financial statements were approved by the board of directors and authorised for issue on 22 December 2021 and are signed on its behalf by:

Mr S S Dhillon
Director

Company Registration No. 07335576

CITRINE NETWORK LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2019		35,100	11,812,770	11,847,870
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	2,232,248	2,232,248
Dividends	**12**	-	(3,672,000)	(3,672,000)
Balance at 31 March 2020		35,100	10,373,018	10,408,118
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	5,453,291	5,453,291
Dividends	**12**	-	(2,579,250)	(2,579,250)
Balance at 31 March 2021		35,100	13,247,059	13,282,159

CITRINE NETWORK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 April 2019		35,100	12,076,012	12,111,112
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	2,176,810	2,176,810
Dividends	**12**	-	(3,672,000)	(3,672,000)
Balance at 31 March 2020		35,100	10,580,822	10,615,922
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	5,323,502	5,323,502
Dividends	**12**	-	(2,579,250)	(2,579,250)
Balance at 31 March 2021		35,100	13,325,074	13,360,174

CITRINE NETWORK LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash generated from operations	**32**		4,688,616		2,115,865
Interest paid			(2,724)		(1,072)
Income taxes paid			(390,287)		(1,556,156)
Net cash inflow from operating activities			4,295,605		558,637
Investing activities					
Purchase of tangible fixed assets		(15,509)		(126,973)	
Proceeds on disposal of tangible fixed assets		22,750		11,197	
Proceeds on disposal of investment property		105,000		-	
Proceeds on disposal of investments		1,690,731		32,501	
Receipts arising from loans made		-		(150,170)	
Interest received		1,864		7,196	
Net cash generated from/(used in) investing activities			1,804,836		(226,249)
Financing activities					
Dividends paid to equity shareholders		(2,579,250)		(3,672,000)	
Net cash used in financing activities			(2,579,250)		(3,672,000)
Net increase/(decrease) in cash and cash equivalents			3,521,191		(3,339,612)
Cash and cash equivalents at beginning of year			11,560,751		14,900,363
Cash and cash equivalents at end of year			15,081,942		11,560,751
Relating to:					
Cash at bank and in hand			15,081,942		11,807,642
Bank overdrafts included in creditors payable within one year			-		(246,891)

1 Accounting policies

Company information

Citrine Network Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 28-34 Albert Street, Birmingham, West Midlands, B4 7UD.

The group consists of Citrine Network Limited and all of its subsidiaries.

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 a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Citrine Network Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the g roup.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1 Accounting policies **(Continued)**

1.4 Going concern

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

1.5 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from commissions are recognised as and when they become receivable.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business in 2016 over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is fully amortised on a systematic basis over its expected life, of 2 years.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Patents & licences	10% Straight line
Franchise fees	Straight line basis over the life of the franchises
Database	10 Years straight line

Franchise fees can be written off at any time during the duration of the franchise period.

1 Accounting policies **(Continued)**

1.8 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:

Freehold land and buildings	Nil
Leasehold land and buildings	50% on cost, 10% on cost and over the lease term
Leasehold improvements	10% on cost
Fixtures and fittings	25% on reducing balance, 20% on cost, 20% on reducing balance, 15% on reducing balance and 10% on cost
Computers	33% on cost and 25% on reducing balance
Motor vehicles	25% on reducing balance

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 recognised in the profit and loss account.

No depreciation is provided on freehold properties. The group follows a program of regular refurbishment and maintenance of its properties which includes the reinstatement of the fabric of the buildings where necessary in order to maintain them to a high standard. Accordingly, in the opinion of the directors any elements of depreciation would be immaterial and no provision has been made, as the residual value would be in excess of cost.

1.9 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1 Accounting policies **(Continued)**

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 group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

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

1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

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 Accounting policies **(Continued)**

1.12 Stocks

Stocks are stated at the lower of cost and net realisable value. Stock comprises of finished goods only that are purchased for resale. Cost is determined on the first in, first-out (FIFO) method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its net realisable value is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.13 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.

1.14 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 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.

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 group 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 group 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 method.

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.15 Equity instruments

Equity instruments issued by the group 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 group.

1 Accounting policies **(Continued)**

1.16 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

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

1.17 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.

1.18 Retirement benefits

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

1.19 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.

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1 Accounting policies **(Continued)**

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

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

	2021	2020
	£	£
Turnover analysed by class of business		
Turnover	24,701,389	50,024,150

	2021	2020
	£	£
Other significant revenue		
Interest income	1,864	7,196
Grants received	3,291,381	25,000

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(3,291,381)	(25,000)
Depreciation of owned tangible fixed assets	127,011	155,156
Loss on disposal of tangible fixed assets	5,945	3,600
Amortisation of intangible assets	2,058	10,930
Operating lease charges	1,825,848	2,508,246

5 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	5,400	5,300
Audit of the financial statements of the company's subsidiaries	31,250	32,290
	36,650	37,590
For other services		
Taxation compliance services	410	400
All other non-audit services	14,295	13,040
	14,705	13,440

6 Employees

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

	Group 2021	2020	Company 2021	2020
	Number	Number	Number	Number
Employees	284	356	-	-

Their aggregate remuneration comprised:

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Wages and salaries	4,868,937	6,638,718	-	-
Social security costs	330,495	496,195	-	-
Pension costs	79,073	106,437	-	-
	5,278,505	7,241,350	-	-

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	38,697	40,000

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	50	536
Other interest income	1,814	6,660
Total income	1,864	7,196

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	50	536

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	195	377
Other finance costs:		
Other interest	2,529	695
Total finance costs	2,724	1,072

10 Amounts written off investments

	2021	2020
	£	£
Fair value gains/(losses) on financial instruments		
Gain/(loss) on hedging instrument in a fair value hedge	-	(150,171)
Other gains/(losses)		
Gain on disposal of investments held at fair value	10,250	-
Gain on disposal of fixed asset investments	355,512	-
	365,762	(150,171)

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	1,333,701	532,115
Adjustments in respect of prior periods	-	(8,307)
Benefit arising from a previously unrecognised tax loss or credit	-	(193,886)
Total current tax	1,333,701	329,922
Deferred tax		
Origination and reversal of timing differences	(62,312)	(39,078)
Adjustment in respect of prior periods	-	12,201
Total deferred tax	(62,312)	(26,877)
Total tax charge	1,271,389	303,045

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:

	2021	2020
	£	£
Profit before taxation	6,724,680	2,535,293
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,277,689	481,706
Tax effect of expenses that are not deductible in determining taxable profit	(346)	3,167
Adjustments in respect of prior years	-	(201,362)
Permanent capital allowances in excess of depreciation	9,354	19,534
Fair value gains on fixed asset investments not taxable	(15,308)	-
Taxation charge	1,271,389	303,045

12 Dividends

	2021	2020
Recognised as distributions to equity holders:	£	£
Interim paid	2,579,250	3,672,000

13 Intangible fixed assets

Group	Goodwill	Patents & licences	Franchise fees	Database	Total
	£	£	£	£	£
Cost					
At 1 April 2020 and 31 March 2021	3,036,891	34,504	75,000	5,580	3,151,975
Amortisation and impairment					
At 1 April 2020	3,036,891	34,504	72,125	4,464	3,147,984
Amortisation charged for the year	-	-	1,500	558	2,058
At 31 March 2021	3,036,891	34,504	73,625	5,022	3,150,042
Carrying amount					
At 31 March 2021	-	-	1,375	558	1,933
At 31 March 2020	-	-	2,875	1,116	3,991

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

14 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Leasehold improvements	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2020	1,130,009	64,724	631,365	967,548	12,539	179,359	2,985,544
Additions	-	-	-	-	-	15,509	15,509
Disposals	-	-	-	-	-	(74,388)	(74,388)
At 31 March 2021	1,130,009	64,724	631,365	967,548	12,539	120,480	2,926,665
Depreciation and impairment							
At 1 April 2020	-	44,078	408,048	805,314	13,219	92,988	1,363,647
Depreciation charged in the year	-	8,101	59,323	45,149	16	14,422	127,011
Eliminated in respect of disposals	-	-	-	-	-	(45,693)	(45,693)
At 31 March 2021	-	52,179	467,371	850,463	13,235	61,717	1,444,965
Carrying amount							
At 31 March 2021	1,130,009	12,545	163,994	117,085	(696)	58,763	1,481,700
At 31 March 2020	1,130,009	20,646	223,317	162,234	(680)	86,371	1,621,897

Company	**Freehold land and buildings**
	£
Cost	
At 1 April 2020 and 31 March 2021	1,130,009
Depreciation and impairment	
At 1 April 2020 and 31 March 2021	-
Carrying amount	
At 31 March 2021	1,130,009
At 31 March 2020	1,130,009

15 Investment property

	Group 2021	**Company 2021**
	£	**£**
Fair value		
At 1 April 2020 and 31 March 2021	335,440	230,440
Disposals	(105,000)	-
At 31 March 2021	230,440	230,440

Investment property was subject to valuation by the directors who are not professionally qualified valuers. No change in valuation was noted by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

16 Fixed asset investments

		Group		**Company**	
		2021	**2020**	**2021**	**2020**
	Notes	**£**	**£**	**£**	**£**
Investments in subsidiaries	**17**	-	-	3,209,007	3,209,007
Listed investments		-	1,324,969	-	-
Other investments		61,415	61,415	-	-
		61,415	1,386,384	3,209,007	3,209,007
Listed investments included above:					
Listed investments carrying amount		-	1,324,969	-	-

16 Fixed asset investments **(Continued)**

Movements in fixed asset investments

Group	Investments other than loans	Collectables	Total
	£	£	£
Cost or valuation			
At 1 April 2020	1,324,969	61,415	1,386,384
Disposals	(1,324,969)	-	(1,324,969)
At 31 March 2021	-	61,415	61,415
Carrying amount			
At 31 March 2021	-	61,415	61,415
At 31 March 2020	1,324,969	61,415	1,386,384

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2020 and 31 March 2021	3,209,007
Carrying amount	
At 31 March 2021	3,209,007
At 31 March 2020	3,209,007

17 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
J T Retail Limited	England and Wales	Mobile phone retailing	Ordinary	100.00
MKJ Limited	England and Wales	Mobile phone retailing	Ordinary	100.00
Nexus Two Limited	England and Wales	Mobile phone retailing	Ordinary	100.00
Talk Talk Mobile Phones Limited	England and Wales	Mobile phone retailing	Ordinary	100.00
Talk Talk Mobile Phones Services Limited	England and Wales	Human resource services	Ordinary	100.00

18 Significant undertakings

The group also has significant holdings in undertakings which are not consolidated:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Waterbridge Investments Limited	England and Wales	Building contractors and development	Preferred ordinary	100.00	-

The aggregate capital and reserves and the profit for the year of the undertakings noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Waterbridge Investments Limited	121,544	159,321

The Preferred Ordinary shares of Waterbridge Investments Limited carry no voting rights.

19 Financial instruments

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,218,649	4,998,095	2,450,857	2,220,990
Equity instruments measured at cost less impairment	61,415	1,386,384	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	5,785,418	11,230,896	3,147,368	3,847,479

20 Stocks

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Finished goods and goods for resale	72,376	2,118,789	-	-

21 Debtors

	Group		Company	
	2021	2020	2021	2020
Amounts falling due within one year:	£	£	£	£
Trade debtors	852,580	3,148,643	987	-
Corporation tax recoverable	610,028	1,627,749	-	-
Amounts owed by group undertakings	-	-	1,309,252	1,117,475
Other debtors	2,366,069	1,851,032	1,140,618	1,105,095
Prepayments and accrued income	337,265	297,858	-	-
	4,165,942	6,925,282	2,450,857	2,222,570
Deferred tax asset (note 24)	12,060	13,205	-	-
	4,178,002	6,938,487	2,450,857	2,222,570

22 Creditors: amounts falling due within one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts		-	246,891	-	-
Trade creditors		2,951,746	7,885,331	1,240	134
Amounts owed to group undertakings		-	-	3,129,198	3,840,946
Corporation tax payable		80,320	154,627	16,699	16,909
Other taxation and social security		1,928,886	2,324,507	1,215	-
Other creditors		946,875	467,266	5,750	500
Accruals and deferred income		771,687	1,134,063	11,180	5,899
		6,679,514	12,212,685	3,165,282	3,864,388

23 Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other creditors	1,115,110	1,497,345	-	-

24 Deferred taxation

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

Group	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Accelerated capital allowances	31,025	40,986	12,060	13,205
Investments	-	53,496	-	-
	31,025	94,482	12,060	13,205

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2021 £	Company 2021 £
Liability at 1 April 2020	81,277	-
Credit to profit or loss	(62,312)	-
Liability at 31 March 2021	18,965	-

The deferred tax liability set out above is expected to reverse and also relates to accelerated capital allowances that are expected to mature.

25 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	79,073	106,437

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

26 Share capital

Group and company Ordinary share capital Issued and fully paid	2021 Number	2020 Number	2021 £	2020 £
Ordinary A of £1 each	35,100	35,100	35,100	35,100

27 Profit and loss reserves

The profit and loss account includes all current and prior period retained profits, including dividends paid.

28 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Within one year	1,656,254	1,583,013	-	-
Between two and five years	3,876,153	4,711,606	-	-
In over five years	1,094,750	1,612,309	-	-
	6,627,157	7,906,928	-	-

29 Related party transactions

Transactions with related parties

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

	Sale of goods and services 2021	2020
	£	£
Group		
Entities under common control	34,253	84,860

At the year end, the amount due from entities under common control was £2,180,204 (2020: £1,642,985) and is included within other debtors. The amount due to entities under common control was £6,021 (2020: £7,274) and is included within other creditors.

30 Directors' transactions

Dividends totalling £2,579,250 (2020 - £3,672,000) were paid in the year in respect of shares held by the company's directors.

31 Controlling party

The ultimate controlling party is Mr S S Dhillon and Mrs B K Dhillon, by virtue of their shareholding in Citrine Network Limited.

32 Cash generated from group operations

	2021	2020
	£	£
Profit for the year after tax	5,453,291	2,232,248
Adjustments for:		
Taxation charged	1,271,389	303,045
Finance costs	2,724	1,072
Investment income	(1,864)	(7,196)
Loss on disposal of tangible fixed assets	5,945	3,600
Amortisation and impairment of intangible assets	2,058	10,930
Depreciation and impairment of tangible fixed assets	127,011	155,156
Gain on sale of investments	(355,512)	-
Fair value gains and losses on fixed asset investments	(10,250)	150,171
Movements in working capital:		
Decrease/(increase) in stocks	2,046,413	(183,766)
Decrease in debtors	1,740,039	1,523,502
(Decrease) in creditors	(5,592,628)	(2,072,897)
Cash generated from operations	4,688,616	2,115,865

33 Cash absorbed by operations - company

	2021	2020
	£	£
Profit for the year after tax	5,323,502	2,176,810
Adjustments for:		
Taxation charged	8,973	7,462
Finance costs	125	140
Investment income	(5,285,250)	(2,145,000)
Movements in working capital:		
Increase in debtors	(228,287)	(190,229)
Decrease in creditors	(698,896)	(547,217)
Cash absorbed by operations	(879,833)	(698,034)

34 Analysis of changes in net funds - group

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	11,807,642	3,274,300	15,081,942
Bank overdrafts	(246,891)	246,891	-
	11,560,751	3,521,191	15,081,942

35 Analysis of changes in net funds - company

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	7,688,284	1,816,859	9,505,143