

Group Strategic Report, Report of the Director and
Consolidated Financial Statements for the Year Ended 30 September 2020
for
SOUTHWARK PLATINUM LIMITED



SOUTHWARK PLATINUM LIMITED

Contents of the Consolidated Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Page
Company Information	1
Group Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	5
Consolidated Income Statement	7
Consolidated Other Comprehensive Income	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Cash Flow Statement	13
Notes to the Consolidated Cash Flow Statement	14
Notes to the Consolidated Financial Statements	15
Consolidated Trading and Profit and Loss Account	25

SOUTHWARK PLATINUM LIMITED

Company Information
FOR THE YEAR ENDED 30 SEPTEMBER 2020

DIRECTOR:

T W Pratt

REGISTERED OFFICE:

The Old Barn
Off Wood Street
Swanley Village
Kent
BR8 7PA

BUSINESS ADDRESS:

158 Trundleys Road
London
SE85JE

REGISTERED NUMBER:

09237707 (England and Wales)

AUDITORS:

Ardor Business Solutions Limited
Statutory Auditors
Chartered Certified Accountants
South View, Lower Wall Road
West Hythe
Kent
CT21 4NW

SOUTHWARK PLATINUM LIMITED

Group Strategic Report
FOR THE YEAR ENDED 30 SEPTEMBER 2020

The director presents his strategic report of the company and the group for the year ended 30 September 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is extremely conscious of the suppliers it deals with. The Director and staff take stringent measures to ensure they know the details of all their suppliers and the source of the metals that are purchased. The company has a close relationship with the local community and authorities and has been given a "Green Light" by the local police with whom they work closely to monitor possible risks of illegal activities in the vicinity.

The price of metal varies in accordance with the external market. The company manages this risk by regularly reviewing prices on both sides of the transaction in order to compensate for price fluctuations.

Trade Debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to the customers and the regular monitoring of amounts of both time and credit limits. Provision for doubtful debts is made as necessary.

FAIR REVIEW OF THE BUSINESS

The Director's review is consistent with the size and non-complex nature of the business.

The company continues to operate in the metal recycling industry. Over the last few years considerable investment has been made in new technology, plant and trucks as part of the company's philosophy. The company has over 30 years experience in the metal recycling industry.

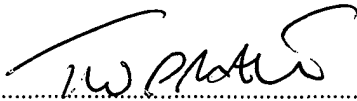
LIQUIDITY RISK

The company monitors and reviews liquidity risks regularly on an ongoing basis and also as part of the planning process. The Director considers short-term requirements against available sources of funding, taking into account cash flow and response to any identifies needs as necessary to support the business.

CREDIT RISK

The company's credit risk relates to recovery of amounts owed by customers for invoiced sales. The credit risk is managed by regular monitoring of outstanding amounts.

ON BEHALF OF THE BOARD:



T W Pratt - Director

Date:

25.06.2021

SOUTHWARK PLATINUM LIMITED

Report of the Director **FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The director presents his report with the financial statements of the company and the group for the year ended 30 September 2020.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of operating in the metal recycling industry.

DIVIDENDS

Interim dividends were paid during the year of £500 per share on the Ordinary £1 shares but does not recommend a final dividend on the B Share £1 shares.

The total distribution of dividends for the year ended 30 September 2020 will be £50,000.

DIRECTOR

T W Pratt held office during the whole of the period from 1 October 2019 to the date of this report.

RESULTS

The results for the year are set out on page 7.

OPENING OF NEW PREMISES

During the year the Director made the decision to move the trading site to a larger premises with the capacity to process increased tonnage. The Director believes that the relocation to the new site will increase turnover and profits securing the long term viability of the company.

CLOSURE

The Director made a moral decision to close for 3 months due to the ongoing Covid pandemic which subsequently had a negative impact on the turnover and profit. The Director believes that the members of staff are crucial to the company and their health is imperative to the company's longevity.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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.

SOUTHWARK PLATINUM LIMITED

Report of the Director
FOR THE YEAR ENDED 30 SEPTEMBER 2020

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Ardor Business Solutions Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



T W Pratt - Director

Date: 25.06.2021

Report of the Independent Auditors to the Members of
Southwark Platinum Limited

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 September 2020 and of the group's loss 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of
Southwark Platinum Limited

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 Report of the Director.

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 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 director

As explained more fully in the Statement of Director's Responsibilities set out on page three, 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 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 has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Mr Bryan Michael Kemsley FCCA (Senior Statutory Auditor)
for and on behalf of Ardor Business Solutions Limited
Statutory Auditors
Chartered Certified Accountants
South View, Lower Wall Road
West Hythe
Kent
CT21 4NW

Date:

25/06/2021

SOUTHWARK PLATINUM LIMITED

Consolidated Income Statement
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
TURNOVER		7,589,806	9,937,910
Cost of sales		<u>5,721,398</u>	<u>7,270,901</u>
GROSS PROFIT		1,868,408	2,667,009
Distribution costs		738,857	711,780
Administrative expenses		<u>1,884,708</u>	<u>1,812,111</u>
		<u>2,623,565</u>	<u>2,523,891</u>
		(755,157)	143,118
Other operating income		<u>177,321</u>	<u>47,197</u>
OPERATING (LOSS)/PROFIT	4	(577,836)	190,315
Interest payable and similar expenses	5	<u>96,776</u>	<u>13,799</u>
(LOSS)/PROFIT BEFORE TAXATION		(674,612)	176,516
Tax on (loss)/profit	6	<u>182,148</u>	<u>199,786</u>
LOSS FOR THE FINANCIAL YEAR		<u>(856,760)</u>	<u>(23,270)</u>
Loss attributable to: Owners of the parent		<u>(856,760)</u>	<u>(23,270)</u>

The notes form part of these financial statements

SOUTHWARK PLATINUM LIMITED

Consolidated Other Comprehensive Income
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
LOSS FOR THE YEAR		(856,760)	(23,270)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(856,760)</u>	<u>(23,270)</u>
Total comprehensive income attributable to: Owners of the parent		<u>(856,760)</u>	<u>(23,270)</u>

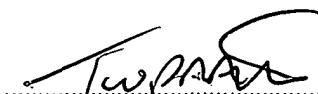
The notes form part of these financial statements

Consolidated Balance Sheet
30 SEPTEMBER 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Intangible assets	14		3,111,440		3,889,299
Tangible assets	15		2,171,525		851,236
Investments	16		<u>-</u>		<u>-</u>
			5,282,965		4,740,535
CURRENT ASSETS					
Stocks	17	34,573		13,357	
Debtors	18	644,373		845,745	
Cash at bank and in hand		<u>1,094,903</u>		<u>1,593,600</u>	
		1,773,849		2,452,702	
CREDITORS					
Amounts falling due within one year	19	<u>1,678,404</u>		<u>1,244,061</u>	
NET CURRENT ASSETS			<u>95,445</u>		<u>1,208,641</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,378,410		5,949,176
CREDITORS					
Amounts falling due after more than one year	20		(1,612,724)		(1,458,878)
PROVISIONS FOR LIABILITIES	23		<u>(263,348)</u>		<u>(81,200)</u>
NET ASSETS			<u><u>3,502,338</u></u>		<u><u>4,409,098</u></u>
CAPITAL AND RESERVES					
Called up share capital	24		101		101
Share premium	25		5,100,000		5,100,000
Retained earnings	25		<u>(1,597,763)</u>		<u>(691,003)</u>
SHAREHOLDERS' FUNDS			<u><u>3,502,338</u></u>		<u><u>4,409,098</u></u>

The financial statements were approved by the director and authorised for issue on
were signed by:

25/06/2021 and


.....
T W Pratt - Director

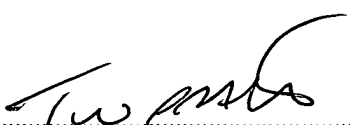
SOUTHWARK PLATINUM LIMITED (REGISTERED NUMBER: 09237707)

Company Balance Sheet
30 SEPTEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	14	-	-
Tangible assets	15	-	-
Investments	16	<u>10,225,601</u>	<u>10,225,601</u>
		<u>10,225,601</u>	<u>10,225,601</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,225,601	10,225,601
CREDITORS			
Amounts falling due after more than one year	20	<u>5,125,500</u>	<u>5,125,500</u>
NET ASSETS		<u>5,100,101</u>	<u>5,100,101</u>
CAPITAL AND RESERVES			
Called up share capital	24	101	101
Share premium		<u>5,100,000</u>	<u>5,100,000</u>
SHAREHOLDERS' FUNDS		<u>5,100,101</u>	<u>5,100,101</u>
Company's profit for the financial year		<u>50,000</u>	<u>50,000</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the director and authorised for issue on 25/06/2021 and were signed by:



T W Pratt - Director

The notes form part of these financial statements

SOUTHWARK PLATINUM LIMITED

Consolidated Statement of Changes in Equity
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 October 2018	101	(617,733)	5,100,000	4,482,368
Changes in equity				
Dividends	-	(50,000)	-	(50,000)
Total comprehensive income	<u>-</u>	<u>(23,270)</u>	<u>-</u>	<u>(23,270)</u>
Balance at 30 September 2019	<u>101</u>	<u>(691,003)</u>	<u>5,100,000</u>	<u>4,409,098</u>
Changes in equity				
Dividends	-	(50,000)	-	(50,000)
Total comprehensive income	<u>-</u>	<u>(856,760)</u>	<u>-</u>	<u>(856,760)</u>
Balance at 30 September 2020	<u>101</u>	<u>(1,597,763)</u>	<u>5,100,000</u>	<u>3,502,338</u>

The notes form part of these financial statements

SOUTHWARK PLATINUM LIMITED

Company Statement of Changes in Equity
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 October 2018	101	-	5,100,000	5,100,101
Changes in equity				
Dividends	-	(50,000)	-	(50,000)
Total comprehensive income	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Balance at 30 September 2019	<u>101</u>	<u>-</u>	<u>5,100,000</u>	<u>5,100,101</u>
Changes in equity				
Dividends	-	(50,000)	-	(50,000)
Total comprehensive income	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Balance at 30 September 2020	<u>101</u>	<u>-</u>	<u>5,100,000</u>	<u>5,100,101</u>

The notes form part of these financial statements

SOUTHWARK PLATINUM LIMITED

Consolidated Cash Flow Statement
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	585,657	771,623
Interest paid		(78,447)	(454)
Interest element of finance lease payments paid		(18,329)	(13,345)
Tax paid		<u>(144,460)</u>	<u>(180,545)</u>
Net cash from operating activities		<u>344,421</u>	<u>577,279</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(1,591,562)	(480,828)
Sale of tangible fixed assets		<u>108,500</u>	<u>114,394</u>
Net cash from investing activities		<u>(1,483,062)</u>	<u>(366,434)</u>
 Cash flows from financing activities			
New loans in year		278,221	1,400,000
Capital repayments in year		284,818	60,284
Amount introduced by directors		126,905	-
Amount withdrawn by directors		-	(1,570,748)
Equity dividends paid		<u>(50,000)</u>	<u>(50,000)</u>
Net cash from financing activities		<u>639,944</u>	<u>(160,464)</u>
 (Decrease)/increase in cash and cash equivalents		<u>(498,697)</u>	<u>50,381</u>
Cash and cash equivalents at beginning of year	2	<u>1,593,600</u>	<u>1,543,219</u>
 Cash and cash equivalents at end of year	2	<u><u>1,094,903</u></u>	<u><u>1,593,600</u></u>

The notes form part of these financial statements

SOUTHWARK PLATINUM LIMITED

Notes to the Consolidated Cash Flow Statement
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020 £	2019 £
(Loss)/profit before taxation	(674,612)	176,516
Depreciation charges	216,943	260,151
Profit on disposal of fixed assets	(54,170)	(90,905)
Amortisation of intangible assets	777,859	777,859
Finance costs	<u>96,776</u>	<u>13,799</u>
	362,796	1,137,420
(Increase)/decrease in stocks	(21,216)	19,376
Decrease/(increase) in trade and other debtors	201,372	(45,957)
Increase/(decrease) in trade and other creditors	<u>42,705</u>	<u>(339,216)</u>
Cash generated from operations	<u><u>585,657</u></u>	<u><u>771,623</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 September 2020

	30/9/20 £	1/10/19 £
Cash and cash equivalents	<u><u>1,094,903</u></u>	<u><u>1,593,600</u></u>

Year ended 30 September 2019

	30/9/19 £	1/10/18 £
Cash and cash equivalents	<u><u>1,593,600</u></u>	<u><u>1,543,219</u></u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/10/19 £	Cash flow £	At 30/9/20 £
Net cash			
Cash at bank and in hand	<u><u>1,593,600</u></u>	<u><u>(498,697)</u></u>	<u><u>1,094,903</u></u>
	<u><u>1,593,600</u></u>	<u><u>(498,697)</u></u>	<u><u>1,094,903</u></u>
Debt			
Finance leases	(473,318)	(284,818)	(758,136)
Debts falling due within 1 year	(280,000)	(366,729)	(646,729)
Debts falling due after 1 year	<u><u>(1,120,000)</u></u>	<u><u>88,508</u></u>	<u><u>(1,031,492)</u></u>
	<u><u>(1,873,318)</u></u>	<u><u>(563,039)</u></u>	<u><u>(2,436,357)</u></u>
Total	<u><u>(279,718)</u></u>	<u><u>(1,061,736)</u></u>	<u><u>(1,341,454)</u></u>

The notes form part of these financial statements

SOUTHWARK PLATINUM LIMITED

Notes to the Consolidated Financial Statements **FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1. STATUTORY INFORMATION

Southwark Platinum Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Basis of consolidation

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. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Southwark Platinum Ltd and its subsidiary, Southwark Metals Ltd. All financial statements are made up to 28th September 2020.

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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2015, is being amortised evenly over its estimated useful life of ten years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

During the year the director reviewed the depreciation policy and has changed each of the following assets to the following depreciation percentages. The basis for the amendment to the estimate is the director believes this is a fairer representation of the remaining life of the asset. The reduction in depreciation charge has reduced the impact on profit and increased the reserves as of the year end.

Plant & Machinery	20% Straight line basis to 10% Reducing balance
Fixtures, Fittings & Computer Equipment	20-25% Straight line basis to 10% Reducing balance
Motor Vehicles	20-25% Straight line basis to 10% Reducing balance

Depreciation is recognised so as to write off the cost or valuation of assets less their residual value over their useful lives. 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 accounts.

SOUTHWARK PLATINUM LIMITED

Notes to the Consolidated Financial Statements - continued **FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. ACCOUNTING POLICIES - continued

Stocks

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

Financial instruments

The group has elected to apply the provision 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 groups balance sheet when the group becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors, cash and bank balances, are initially measured at transaction price including transaction cost 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.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Pension costs and other post-retirement benefits

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

Going concern

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

SOUTHWARK PLATINUM LIMITED

Notes to the Consolidated Financial Statements - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES - continued

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.

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.

3. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	810,179	672,263
Social security costs	180	193
Other pension costs	<u>28,409</u>	<u>19,883</u>
	<u><u>838,768</u></u>	<u><u>692,339</u></u>

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

	2020	2019
Directors	1	1
Staff	<u>15</u>	<u>17</u>
	<u><u>16</u></u>	<u><u>18</u></u>

The average number of employees by undertakings that were proportionately consolidated during the year was 16 (2019 - 18).

	2020	2019
	£	£
Director's remuneration	<u><u>9,851</u></u>	<u><u>9,922</u></u>

SOUTHWARK PLATINUM LIMITED

Notes to the Consolidated Financial Statements - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. OPERATING (LOSS)/PROFIT

	2020 £	2019 £
The operating loss (2019 - operating profit) is stated after charging/(crediting):		
Depreciation	216,943	260,151
Profit on the disposal of fixed assets	(54,170)	(90,905)
Goodwill	777,859	777,859
Cost of stocks recognised as an expense	5,721,398	7,270,901
Operating lease charges	-	28,800

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Other loan interest	78,221	-
Interest on overdue tax	226	454
Hire purchase interest	<u>18,329</u>	<u>13,345</u>
	<u>96,776</u>	<u>13,799</u>

6. TAXATION

Analysis of the tax charge

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

	2020 £	2019 £
Current tax		
UK Corporation tax on profits for the current period	-	144,686
Deferred Tax		
Origination and reversal of timing differences	182,148	55,100
Tax on (loss)/profit	182,148	199,786

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	2020 £	2019 £
Ordinary shares of £1 each		
Interim	<u>50,000</u>	<u>50,000</u>

SOUTHWARK PLATINUM LIMITED

Notes to the Consolidated Financial Statements - continued **FOR THE YEAR ENDED 30 SEPTEMBER 2020**

9. STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

10. 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.

11. ACCOUNTING POLICIES

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 the 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

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

12. 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.

SOUTHWARK PLATINUM LIMITED

Notes to the Consolidated Financial Statements - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2020

13. ACCOUNTING POLICIES

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

Judgements and key sources of elimination uncertainty

In the application of the groups accounting policies, the Director is 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.

14. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 October 2019

and 30 September 2020

7,778,594

AMORTISATION

At 1 October 2019

Amortisation for year

3,889,295

777,859

At 30 September 2020

4,667,154

NET BOOK VALUE

At 30 September 2020

3,111,440

At 30 September 2019

3,889,299

SOUTHWARK PLATINUM LIMITED

Notes to the Consolidated Financial Statements - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 October 2019	-	1,187,337	138,951	808,240	2,134,528
Additions	220,137	1,324,408	47,017	-	1,591,562
Disposals	-	(248,950)	-	-	(248,950)
At 30 September 2020	<u>220,137</u>	<u>2,262,795</u>	<u>185,968</u>	<u>808,240</u>	<u>3,477,140</u>
DEPRECIATION					
At 1 October 2019	-	862,584	109,682	311,026	1,283,292
Charge for year	-	159,479	7,645	49,819	216,943
Eliminated on disposal	-	(194,620)	-	-	(194,620)
At 30 September 2020	<u>-</u>	<u>827,443</u>	<u>117,327</u>	<u>360,845</u>	<u>1,305,615</u>
NET BOOK VALUE					
At 30 September 2020	<u>220,137</u>	<u>1,435,352</u>	<u>68,641</u>	<u>447,395</u>	<u>2,171,525</u>
At 30 September 2019	<u>-</u>	<u>324,753</u>	<u>29,269</u>	<u>497,214</u>	<u>851,236</u>

16. FIXED ASSET INVESTMENTS

Company

Investments (neither listed nor unlisted) were as follows:

	2020 £	2019 £
Investments	<u>10,225,601</u>	<u>10,225,601</u>

17. STOCKS

	Group	
	2020 £	2019 £
Stock	<u>34,573</u>	<u>13,357</u>

SOUTHWARK PLATINUM LIMITED

Notes to the Consolidated Financial Statements - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2020

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2020	2019
	£	£
Trade debtors	283,203	325,366
Other debtors	299,906	276,057
Inter company account	8,637	-
Prepayments and accrued income	<u>52,627</u>	<u>244,322</u>
	<u>644,373</u>	<u>845,745</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2020	2019
	£	£
Other loans (see note 21)	646,729	280,000
Finance leases (see note 22)	176,904	134,440
Trade creditors	45,214	104,988
Taxation	226	144,686
Social security and other taxes	1,096	-
VAT	540,023	360,669
Other creditors	46,952	194,778
Inter company account	83,355	-
Directors' current accounts	126,905	-
Accruals and deferred income	<u>11,000</u>	<u>24,500</u>
	<u>1,678,404</u>	<u>1,244,061</u>

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Other loans (see note 21)	1,031,492	1,120,000	-	-
Finance leases (see note 22)	581,232	338,878	-	-
Amounts owed to group undertakings	<u>-</u>	<u>-</u>	<u>5,125,500</u>	<u>5,125,500</u>
	<u>1,612,724</u>	<u>1,458,878</u>	<u>5,125,500</u>	<u>5,125,500</u>

SOUTHWARK PLATINUM LIMITED

Notes to the Consolidated Financial Statements - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2020

21. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>646,729</u>	<u>280,000</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>1,031,492</u>	<u>1,120,000</u>

22. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Finance leases	
	2020	2019
	£	£
Net obligations repayable:		
Within one year	176,904	134,440
Between one and five years	<u>581,232</u>	<u>338,878</u>
	<u>758,136</u>	<u>473,318</u>

23. PROVISIONS FOR LIABILITIES

	Group	
	2020	2019
	£	£
Deferred tax	<u>263,348</u>	<u>81,200</u>
Group		
		Deferred tax
		£
Balance at 1 October 2019		81,200
Provided during year		<u>182,148</u>
Balance at 30 September 2020		<u>263,348</u>

SOUTHWARK PLATINUM LIMITED

Notes to the Consolidated Financial Statements - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2020

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
100	Ordinary	£1	100	100
1	B Share	£1	<u>1</u>	<u>1</u>
			<u>101</u>	<u>101</u>

25. RESERVES

Group

	Retained earnings £	Share premium £	Totals £
At 1 October 2019	(691,003)	5,100,000	4,408,997
Deficit for the year	(856,760)		(856,760)
Dividends	<u>(50,000)</u>	<u></u>	<u>(50,000)</u>
At 30 September 2020	<u>(1,597,763)</u>	<u>5,100,000</u>	<u>3,502,237</u>

26. ULTIMATE CONTROLLING PARTY

The controlling party is T W Pratt.