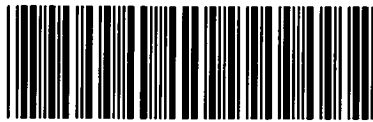


Company Registration No. 10060567 (England and Wales)

COVALENT GROUP LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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COVALENT GROUP LIMITED

COMPANY INFORMATION

Directors

Ms K S Mosley
Mr N J Beecroft
Mr D M Cafferty
Mr J G Clarke
Mr C Liddle
Mr M Staniland
Mr R O'Neil
Mr M J Earnshaw

Secretary

Ms K S Mosley

Company number

10060567

Registered office

Wool + Tailor Building
Fifth Floor
10-12 Alie Street
London
E1 8DE

Auditor

Johnston Carmichael LLP
227 West George Street
GLASGOW
G2 2ND

COVALENT GROUP LIMITED

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COVALENT GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020.

Fair review of the business

The Company is a holding company. The Group brings together several longstanding independently managed design led practices and brands – HLM, Llewelyn Davies and Sidell Gibson – together with “33” interior design practice and HLMGreenBuild joint venture.

HLM

The business continues to be well respected in its chosen marketplaces of Healthcare, Education, Justice & Emergency Services, Living & Communities, Asset & Workplace, Hospitality and Defence. We are delighted that the quality of our work and how we engage with our employees and wider community has again led to winning numerous awards during the year, including being recognised and awarded Employer of the Year by the Architects Journal and Architectural Practice of the Year by Building Magazine.

We continue to achieve our targets for architectural design quality, business profile and financial performance. Our strategy of continuing to actively manage the business continues in a commercial manner based upon the provision of sustainable, high quality design services to our clients with the Directors leading the design process, encouraging, motivating and leading the team by example. This is reflected by the number of business awards and short listings achieved.

Alongside this we continued to shape the business to reflect the volatile economic environment and market conditions by focusing on being creative, innovative and as flexible as possible about the way we work together.

Our strong financial footing has not only allowed us to meet the challenges of the economic environment, but also allowed us to pursue our strategy of continuing to invest in our UK business whilst simultaneously retaining our international presence.

Our aim is to make the maximum social impact to society through our activities and the places we create. Through thoughtful design we consciously take account of economic, environmental and social elements to inform the collective decisions we make about where to invest and our time and resources. It also helps us to understand and appreciate the positive difference we can make to the communities in which we operate.

Llewelyn Davies

Based in London, Llewelyn Davies continues to be a leader in healthcare design with an established reputation built up over half a century of delivering over 250 major hospitals in 75 countries, as well as delivering quality projects in master planning and international aviation.

We are delighted with the number of major opportunities that the team are generating and their assistance in securing projects for the wider Group.

Sidell Gibson

Sidell Gibson, an architectural practice associated with high quality office, headquarters, retail, residential, conservation and restoration projects, including Windsor Castle and the Jewel Room at the Tower of London.

As with Llewelyn Davies, the team continues to provide valuable assistance in securing projects for the wider Group.

“33”

Established in 2014, “33” is a London based interior design practice which focuses on high-end residential, hospitality and commercial projects.

COVALENT GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties

The principal risk facing the Group relates to the ongoing uncertainty resulting from the COVID-19 pandemic.

The Group continues to closely monitor the constantly changing risk of the global COVID-19 pandemic. The potential impact will depend on the severity and length of the UK outbreak. The key risks to our operations include: Disruption to our key sectors through restrictions on movement and uncertainty of future demand; Operational issues involving greater emphasis on home and remote working; The impact on our colleagues, especially those who are at high risk and need to self isolate; Impact on existing client base and pressure on fee levels; and A prolonged significant outbreak in the UK resulting in delay to project decisions.

Other risks and uncertainties facing the Group can be summarised as follows:

- Brand reputation, product and service
- Competition
- Business interruption and infrastructure
- Continuing to attract and retain the right staff and management team
- Working capital management
- Foreign exchange risk
- IT systems, sensitive data and cyber risk
- The UK's exit from the European Union

The group manages these risks through a process of policies and controls which are set by the group board and implemented and managed by the management team. All risks are assigned to owners and are reviewed regularly to further assess the extent and effectiveness of the controls.

The group seeks to diversify risks wherever possible, particularly through developing work in new business sectors and geographical areas.

COVALENT GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Development and performance

The results for the year are shown in the consolidated profit and loss account on page 10.

The group profit for the year before taxation was £527,001 (2019: £125,367). Total comprehensive income for the year was £1,182,882 (2019: £221,453). The shareholders' funds of the Group total £1,903,244 (2019: £847,866).

The group's performance during the year ended 31 March 2020 can be summarised by the following key performance indicators:

- Turnover amounted to £15,531,425 (2019: £15,139,879)
- Operating profit amounted to £560,129 (2019: £186,934)
- Headcount of the group amounted to 192 (2019: 173)
- Net current assets of the group amounted to £1,611,886 (2019: £623,563)

The board recognise that this has been a challenging year as potential projects were delayed by political uncertainty surrounding Brexit and other matters, placing downward pressure on revenues and profitability. Greater emphasis has been placed on efficiencies and group synergies. The group has performed to the satisfaction of the Directors, despite challenging trading conditions.

Business environment

The design market is highly competitive within a number of the sectors in which the Group operates. Many other businesses seek to operate in the market which leads to aggressive pricing. The impact of advances in technology has been enormous and it is essential that we keep abreast of advances in this area.

Strategy

The Group's success is dependent on the proper selection of opportunities in the sectors in which it operates. We believe that having diversity in sectors, services and geographical spread will enable us to maintain our position and market share.

The Group will continue to concentrate on achieving growth in its existing sectors whilst striving to improve efficiencies, exploitation of economies of scale and diversification.

Key performance indicators (KPIs)

We have made significant progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the Group by reference to the following KPIs:

	<u>2020</u>	<u>2019</u>
Turnover	£15.53m	£15.14m
Gross margin	38.4%	31.1%
EBITDA	4.5%	3%

The board are satisfied that the group has maintained relatively strong margins throughout the year and without losing capacity to take on these projects when they eventually go ahead.

Trading conditions clearly remain challenging for the group going forward. Although opportunities are there to win new work in its chosen sectors, decisions on planned private and public projects have in many cases been delayed due to COVID and political uncertainty.

COVALENT GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Strategic management

Fostering citizenship and improving society through architecture and design is the foundation of our collective business purpose. We have built a reputation for design excellence and expertise across our key sectors with a focus on solving our client's challenges and mindful of the impact that design can have on people, communities and society.

We seek to be agile and adaptable yet maintain a rigour that keeps design excellence as our essence and is achieved through a workplace of like-minded people – a profitable business that offers opportunity and is enjoyable.

Future development

As part of the ongoing strategy to develop a business that is design-led, entrepreneurial and robust in the face of risks associated with the cyclical nature of the UK construction market, Covalent Group Limited continues to invest in its brands, new service offerings, new sectors and new geographical markets.

On behalf of the board



Mr C Liddle

Director

8 December 2020

COVALENT GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

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

Principal activities

The principal activity of the company and group continued to be that of the provision of architectural, landscape and urban design, interior design and environmental design services.

Directors

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

Ms K S Mosley
Mr N J Beecroft
Mr D M Cafferty
Mr J G Clarke
Mr C Liddle
Mr M Staniland
Mr R O'Neil
Mr M J Earnshaw

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £127,504. The directors do not recommend payment of a further dividend.

Future developments

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out the company's strategic report information required by Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has been done so in respect of future developments.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

COVALENT GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 financial statements;
- prepare the financial statements 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 C Liddle

Director

Date: 8 December 2020

COVALENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COVALENT GROUP LIMITED

Opinion

We have audited the financial statements of Covalent Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Group Profit and Loss Account, Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 the parent company's affairs as at 31 March 2020 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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

COVALENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF COVALENT GROUP LIMITED

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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 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 directors either intend to liquidate the group or the parent 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.

COVALENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF COVALENT GROUP LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Johnston Carmichael LLP

Allison Dalton (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

8 December 2020

Chartered Accountants
Statutory Auditor

227 West George Street
GLASGOW
G2 2ND

COVALENT GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	15,531,425	15,139,879
Cost of sales		(9,572,758)	(10,423,972)
Gross profit		5,958,667	4,715,907
Administrative expenses		(5,398,538)	(4,528,691)
Other operating expenses		-	(282)
Operating profit	4	560,129	186,934
Interest payable and similar expenses	8	(33,128)	(61,567)
Profit before taxation		527,001	125,367
Taxation	9	655,881	96,086
Profit for the financial year	20	1,182,882	221,453
Total comprehensive income for the year		1,182,882	221,453

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.

COVALENT GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		291,358		224,303
Current assets					
Debtors	14	5,407,228		5,211,694	
Cash at bank and in hand		907,940		691,756	
		6,315,168		5,903,450	
Creditors: amounts falling due within one year	15	(4,703,282)		(5,279,887)	
Net current assets			1,611,886		623,563
Total assets less current liabilities			1,903,244		847,866
Capital and reserves					
Called up share capital	19		120,000		120,000
Capital redemption reserve	20		20,000		20,000
Other reserves	20		60,000		60,000
Profit and loss reserves	20		1,703,244		647,866
Total equity			1,903,244		847,866

The financial statements were approved by the board of directors and authorised for issue on 8 December 2020 and are signed on its behalf by:



Mr C Liddle
Director

COVALENT GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2019 £
Fixed assets			
Investments	12	166,040	166,040
Current assets			
Debtors	14	1,034,297	1,579,248
Creditors: amounts falling due within one year	15	(979,660)	(1,604,828)
Net current assets/(liabilities)		54,637	(25,580)
Total assets less current liabilities		<u>220,677</u>	<u>140,460</u>
Capital and reserves			
Called up share capital	19	120,000	120,000
Capital redemption reserve	20	20,000	20,000
Profit and loss reserves	20	80,677	460
Total equity		<u>220,677</u>	<u>140,460</u>

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 period was £207,721 (2019 - £247,007).

The financial statements were approved by the board of directors and authorised for issue on 8 December 2020 and are signed on its behalf by:



Mr C Liddle
Director

Company Registration No. 10060567

COVALENT GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2018		120,000	20,000	60,000	673,813	873,813
Year ended 31 March 2019:						
Profit and total comprehensive income for the year		-	-	-	221,453	221,453
Dividends	10	-	-	-	(247,400)	(247,400)
Balance at 31 March 2019		120,000	20,000	60,000	647,866	847,866
Year ended 31 March 2020:						
Profit and total comprehensive income for the year		-	-	-	1,182,882	1,182,882
Dividends	10	-	-	-	(127,504)	(127,504)
Balance at 31 March 2020		120,000	20,000	60,000	1,703,244	1,903,244

COVALENT GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2018		120,000	20,000	853	140,853
Year ended 31 March 2019:					
Profit and total comprehensive income for the year		-	-	247,007	247,007
Dividends	10	-	-	(247,400)	(247,400)
Balance at 31 March 2019		120,000	20,000	460	140,460
Year ended 31 March 2020:					
Profit and total comprehensive income for the year		-	-	207,721	207,721
Dividends	10	-	-	(127,504)	(127,504)
Balance at 31 March 2020		120,000	20,000	80,677	220,677

COVALENT GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	23	1,151,639		805,465	
Interest paid		(33,127)		(61,567)	
Income taxes refunded/(paid)		229,668		(58,384)	
Net cash inflow from operating activities		<u>1,348,180</u>		<u>685,514</u>	
Investing activities					
Purchase of tangible fixed assets		(214,007)		(59,171)	
Proceeds on disposal of subsidiaries		-		3,588	
Net cash used in investing activities		<u>(214,007)</u>		<u>(55,583)</u>	
Financing activities					
Payment of finance leases obligations		-		(76,327)	
Dividends paid to equity shareholders		(127,504)		(247,400)	
Net cash used in financing activities		<u>(127,504)</u>		<u>(323,727)</u>	
Net increase in cash and cash equivalents		<u>1,006,669</u>		<u>306,204</u>	
Cash and cash equivalents at beginning of year		(714,266)		(1,020,470)	
Cash and cash equivalents at end of year		<u><u>292,403</u></u>		<u><u>(714,266)</u></u>	
Relating to:					
Cash at bank and in hand		907,940		691,756	
Bank overdrafts included in creditors payable within one year		<u>(615,537)</u>		<u>(1,406,022)</u>	

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Covalent Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Wool + Tailor Building Fifth Floor, 10-12 Alie Street, London, England, E1 8DE

The group consists of Covalent Group 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 group and company. Monetary amounts 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 Basis of consolidation

The consolidated financial statements incorporate those of Covalent Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All intra-group transactions and balances between group companies are eliminated on consolidation.

All financial statements are made up to 31 March 2020. When 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 Group.

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.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. The directors have considered cash flow forecasts and also considered the impact of the Global COVID-19 pandemic which continues to create uncertainty for global economies. The group and company have continued to trade through the associated disruption and, while impacted, has managed the risks from the pandemic by utilising the government furlough and VAT deferral support schemes. The directors are confident that they can continue to manage any further short term operational or commercial challenges presented by the pandemic. Based on these factors, the directors are satisfied that it remains appropriate for the group and company to prepare their financial statements on a going concern basis. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.4 Turnover

Turnover represents the invoices, net of VAT, raised in the year which are adjusted for movements in the level of amounts recoverable on contracts.

Contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract and credit is taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty.

Turnover is only recognised in the financial statements when there is a contractual right to consideration.

1.5 Tangible fixed assets

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

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

Leasehold land and buildings	5 to 6 years straight line
Plant and equipment	5 years straight line
Fixtures and fittings	5 and 10 years straight line
Computers	2 to 3 years straight line

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

1.6 Fixed asset investments

Equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries 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.

1.7 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.

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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.

Impairment of financial assets

Financial assets 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.

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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, including creditors, bank loans and loans from fellow group companies 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.

Derecognition of financial liabilities

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

1.10 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.

1.11 Taxation

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

Current tax

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

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 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.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.15 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 are included in the profit and loss account for the period.

1.16 Amounts recoverable on contracts

Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

Key sources of estimation uncertainty

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

Stage of completion on contracts - Gross amounts due on contracts from customers £926,859 (2019 - £867,837)

The group undertakes contracts which take place over a period of time and revenue and profits are recognised as the group performs under these contracts. The extent to which revenue and profits have been earned involves an assessment of both the total expected contract costs and the final expected contract margin. While management make every effort to accurately estimate costs at the beginning of a project, this can be subject to revision as the work progresses and the picture becomes clearer.

3 Turnover and other revenue

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

	2020 £	2019 £
Turnover		
Provision of design services	15,531,425	15,139,879

Turnover analysed by geographical market

	2020 £	2019 £
United Kingdom	14,464,558	12,442,751
Rest of World	1,066,867	2,697,128
	15,531,425	15,139,879

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(18,501)	44,639
Depreciation of owned tangible fixed assets	144,571	249,819
Loss/(profit) on disposal of tangible fixed assets	2,381	(3,588)
Operating lease charges	642,508	647,941

5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,500	2,500
Audit of the financial statements of the company's subsidiaries	22,025	22,025
	<u>24,525</u>	<u>24,525</u>

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Admin	171	153	19	16
Design	21	20	4	4
	<u>192</u>	<u>173</u>	<u>23</u>	<u>20</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	6,987,841	6,303,465	1,220,555	943,333
Social security costs	763,907	633,084	141,878	102,158
Pension costs	236,465	237,358	44,459	29,095
	<u>7,988,213</u>	<u>7,173,907</u>	<u>1,406,892</u>	<u>1,074,586</u>

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	801,258	492,298
Company pension contributions to defined contribution schemes	24,561	9,374
	<u>825,819</u>	<u>501,672</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2019 - 7).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	142,280	105,447
Company pension contributions to defined contribution schemes	3,509	1,718
	<u>145,789</u>	<u>107,165</u>

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	24,696	59,505
Interest on finance leases and hire purchase contracts	8,432	2,062
	<u>33,128</u>	<u>61,567</u>

9 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	(268,259)	74,615
Adjustments in respect of prior periods	(386,260)	(145,768)
Total current tax	<u>(654,519)</u>	<u>(71,153)</u>
Deferred tax		
Origination and reversal of timing differences	(1,362)	(19,171)
Adjustment in respect of prior periods	-	(5,762)
Total deferred tax	<u>(1,362)</u>	<u>(24,933)</u>
Total tax credit	<u>(655,881)</u>	<u>(96,086)</u>

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Taxation

(Continued)

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

	2020 £	2019 £
Profit before taxation	527,001	125,367
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	100,130	23,820
Tax effect of expenses that are not deductible in determining taxable profit	23,779	26,111
Tax effect of income not taxable in determining taxable profit	(22,800)	-
Adjustments in respect of prior years	(386,260)	(145,768)
Depreciation on assets not qualifying for tax allowances	4,170	1,867
Research and development tax credit	(373,975)	-
Deferred tax adjustments in respect of prior years	-	(5,762)
To adjust deferred tax rate	(6,017)	-
Deferred Tax not recognised	5,096	4,345
Other differences	(4)	(699)
Taxation credit	(655,881)	(96,086)

10 Dividends

	2020 £	2019 £
Dividend paid	127,504	247,400

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Tangible fixed assets

Group	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2019	706,405	107,082	87,433	1,424,050	2,324,970
Additions	74,355	-	26,215	113,437	214,007
Disposals	(168,459)	-	-	(352,717)	(521,176)
At 31 March 2020	612,301	107,082	113,648	1,184,770	2,017,801
Depreciation and impairment					
At 1 April 2019	627,661	84,740	76,775	1,311,491	2,100,667
Depreciation charged in the year	27,658	8,185	18,544	90,184	144,571
Eliminated in respect of disposals	(166,078)	-	-	(352,717)	(518,795)
At 31 March 2020	489,241	92,925	95,319	1,048,958	1,726,443
Carrying amount					
At 31 March 2020	123,060	14,157	18,329	135,812	291,358
At 31 March 2019	78,744	22,342	10,658	112,559	224,303

The company had no tangible fixed assets at 31 March 2020 or 31 March 2019.

12 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £
Investments in subsidiaries	13	-	-	166,040
		-	-	166,040

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost	
At 1 April 2019 and 31 March 2020	166,040
Carrying amount	
At 31 March 2020	166,040
At 31 March 2019	166,040

COVALENT GROUP LIMITED

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

13 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
33 Design Limited	1	Architects	Ordinary	100.00	-
HLMAD Limited T/A HLM Architects	1	Architects	Ordinary	100.00	-
Llewelyn Davies Weeks Limited	2	Architects	Ordinary	100.00	-
Sidell Gibson Limited	1	Architects	Ordinary	100.00	-

1 - Wool + Tailor Building Fifth Floor, 10-12 Alie Street, London, England, E1 8DE

2 - The Rookery Third Floor, 2 Dyott Street, London, England, WC1A 1DE

14 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	3,356,094	3,535,634	-	-
Gross amounts owed by contract customers	926,859	867,837	-	-
Corporation tax recoverable	503,850	75,334	43,523	26,998
Amounts owed by group undertakings	-	-	907,053	1,500,615
Other debtors	201,136	159,789	48,730	51,635
Prepayments and accrued income	393,842	549,015	21,080	-
	<u>5,381,781</u>	<u>5,187,609</u>	<u>1,020,386</u>	<u>1,579,248</u>
Deferred tax asset (note 17)	25,447	24,085	13,911	-
	<u>5,407,228</u>	<u>5,211,694</u>	<u>1,034,297</u>	<u>1,579,248</u>

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

15 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	16	615,537	1,406,022	600,422	1,397,931
Payments received on account		321,422	222,110	-	-
Trade creditors		1,345,987	1,543,451	42,392	35,238
Amounts owed to group undertakings		-	-	196,096	34,648
Corporation tax payable		7,389	3,723	7,389	-
Other taxation and social security		1,075,746	1,173,413	124,795	112,169
Other creditors		33,037	23,597	3,566	2,242
Accruals and deferred income		1,304,164	907,571	5,000	22,600
		<u>4,703,282</u>	<u>5,279,887</u>	<u>979,660</u>	<u>1,604,828</u>

The bank overdraft is secured by a composite guarantee over the assets of the group.

16 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank overdrafts	<u>615,537</u>	<u>1,406,022</u>	<u>600,422</u>	<u>1,397,931</u>
Payable within one year	<u>615,537</u>	<u>1,406,022</u>	<u>600,422</u>	<u>1,397,931</u>

17 Deferred taxation

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

Group	Assets 2020 £	Assets 2019 £
Accelerated capital allowances	22,914	21,552
Other short-term differences	2,533	2,533
	<u>25,447</u>	<u>24,085</u>
	Assets 2020 £	Assets 2019 £
Company		
Accelerated capital allowances	<u>13,911</u>	<u>-</u>

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

17 Deferred taxation

(Continued)

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability/(asset) at 1 April 2019	(24,085)	-
Credit to profit or loss	(1,362)	(13,911)
Liability/(asset) at 31 March 2020	<u>(25,447)</u>	<u>(13,911)</u>

The deferred tax liabilities set out above relate to accelerated capital allowances and other short-term timing differences. These differences are expected to reverse within 12 months.

18 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>314,450</u>	<u>270,308</u>

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.

19 Share capital

	Group and company 2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
120,000 Ordinary share capital of £1 each	<u>120,000</u>	<u>120,000</u>

There is one class of ordinary share which carries full voting rights but no right to fixed income or repayment of capital. Distributions are at the discretion of the company.

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

20 Reserves

Capital redemption reserve

The capital redemption reserve is the cumulative value of share capital previously issued which has been redeemed by the company.

Profit and loss reserves

Profit and loss reserves are the cumulative profits and losses incurred by the group since incorporation and not distributed to the shareholders.

Other reserves

Other reserves consist of the foreign currency translation reserve and the merger reserve.

The foreign currency reserve relates to all temporary gains and losses on balance sheet items, arising from movements in the exchange rates relevant to those items.

The merger reserve arises when the consideration and nominal value of the shares issued during a merger or demerger and the fair value of the assets transferred differ.

21 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 2020 £	2019 £	Company 2020 £	2019 £
Within one year	301,080	207,077	-	-
Between two and five years	1,181,072	155,610	-	-
	<u>1,482,152</u>	<u>362,687</u>	<u>-</u>	<u>-</u>

22 Related party transactions

There is a cross-company guarantee between the company, HLMAD Limited, Sidell Gibson Limited, Llewelyn Davies Weeks Limited, 33 Design Limited and HSBC Bank Plc for all debts owed. At 31 March 2020 there was £615,537 (2019: £1,406,022) outstanding to the bank by the other parties to this guarantee.

The company has taken advantage of the exemption available under section 33.1a of FRS 102 whereby it has not disclosed transactions with any wholly owned subsidiaries of the group.

COVALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

23 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	1,182,882	221,453
Adjustments for:		
Taxation credited	(655,881)	(96,086)
Finance costs	33,128	61,567
Loss/(gain) on disposal of tangible fixed assets	2,381	(3,588)
Depreciation and impairment of tangible fixed assets	144,571	249,819
Movements in working capital:		
Decrease in debtors	234,344	723,685
Increase/(decrease) in creditors	210,214	(351,385)
Cash generated from operations	1,151,639	805,465

24 Analysis of changes in net debt

	2020 £
Opening net debt	
Cash and cash equivalents	(714,266)
Changes in net debt arising from:	
Cash flows of the entity	1,006,669
Closing net funds as analysed below	292,403
Closing net funds	
Cash and cash equivalents	292,403