

AFFILIATE SQUARED HOLDINGS LTD
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021



AFFILIATE SQUARED HOLDINGS LTD

COMPANY INFORMATION

Directors	Zach Fisher Luke Neal
Company number	12284305
Registered office	7 Western Gardens Brentwood Essex England CM14 4SP
Auditor	PMK & Associates LLP Lower Third Floor, Evelyn Suite Quantum House, 22 - 24 Red Lion Court London EC4A 3EB

AFFILIATE SQUARED HOLDINGS LTD

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AFFILIATE SQUARED HOLDINGS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The directors present their annual report and financial statements for the year ended 30 April 2021.

Principal activities

The principal activity of the company during the year under review continued to be that of a holding investment in its subsidiaries. The group's main activity continued to be that of global affiliate management; and in the current year the group diversified its activities into property and investment holding.

Results and performance

The results of the group for the year, as set out on pages 6 - 11 of the financial statements, show a profit before taxation of £3,070,288 (2020: £5,124,597). The shareholders' funds of the company total £8,994,555 (2020: £7,072,559).

The performance of the group during the period met with management expectations. Its subsidiary Affiliate squared Ltd.'s business has performed well, and continued growth is expected through 2022. Alongside the sustained success in client retention and organic expansion, the company has continued to profit from retail store closures and the subsequent increases in online sales activity.

Directors

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

Zach Fisher

Luke Neal

Future developments

Despite the ongoing current unpredictable global macroeconomic environment the group is still well placed to capitalise on the increase in online ecommerce activity and continues to develop and expand its technology platforms and associated infrastructure in accordance with the strategic objectives of the business.

Alongside a continued focus on client retention to further promote organic growth, a renewed emphasis will be placed on new online marketing campaigns to fuel further expansion. New ecommerce merchants will be targeted to satisfy the demand placed on the global online shopping marketplace and the ensuing knock-on effects to online affiliate marketing activity.

Objectives for the coming year comprise of expanding the merchant and affiliate base significantly to achieve a total volume of transactions in excess of £250 million. Additional agents and marketing agencies will also be sought to continue the significant growth in registered merchants witnessed from referrals from these entities.

Auditor

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

AFFILIATE SQUARED HOLDINGS LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Luke Neal

Director

27 April 2022

AFFILIATE SQUARED HOLDINGS LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AFFILIATE SQUARED HOLDINGS LTD

Opinion

We have audited the financial statements of Affiliate Squared Holdings Ltd (the 'parent company') and its subsidiary (the group) for the year ended 30 April 2021 which comprise the consolidated and company statement of comprehensive income, the consolidated and company balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

AFFILIATE SQUARED HOLDINGS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AFFILIATE SQUARED HOLDINGS LTD

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 directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the susceptibility of the entity's financial statements to material misstatements including non-compliance with laws and regulations and how fraud might occur and how these were address on the audit are:

- The engagement partner ensured that the audit team has appropriate competence, skills and experience to identify risk of non-compliance with applicable laws and regulations.
- We discussed with informed management regarding the applicable laws and regulations and how these are being complied with.
- We considered that there are specific laws and regulations, which have a direct material effect on the operation of the company which include Companies Act 2006, FCA regulations, Bribery act, Fraud act 2006, Employment law and Anti-Money laundering regulations.
- We assessed the compliance with the laws and regulations identified above through making enquiries with informed management and compliance consultant.

AFFILIATE SQUARED HOLDINGS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AFFILIATE SQUARED HOLDINGS LTD

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by

- Making enquiries and discuss with informed management to confirm where they consider the group was susceptible to fraud and if they have knowledge of actual or suspected fraud.
- Enquire with management and obtain information regarding the internal controls and policies in place to mitigate the risk of fraud.
- Reviewing compliance audit report to identify potential risk giving rise to non-compliance with laws and regulations and going concern.
- Review the updated compliance manual to have in depth knowledge of the business processes in place and risk assessment.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical review to identify unusual trends.
- Tested journal entries to identify unusual transactions.
- Investigated where applicable, the rationale behind the identified unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures, which included but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Enquiring of management as to actual and potential litigation and claims; and
- Enquiring with compliance officers and service provider regarding any breach of laws and regulations.
- Reviewing FCA register to check for any breaches highlighted on the company's FCA records.
- Reviewing financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to him 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.



Malcolm Kauder (Senior Statutory Auditor)
For and on behalf of PMK & Associates LLP

27 April 2022

Chartered Certified Accountants
Statutory Auditor

Lower Third Floor, Evelyn Suite
Quantum House, 22 - 24 Red Lion Court
London
EC4A 3EB

AFFILIATE SQUARED HOLDINGS LTD

COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2021

		Year ended 30 April 2021 £	Period ended 30 April 2020 £
	Notes		
Administrative expenses		(8,820)	-
Interest receivable and similar income		546,235	-
Profit before taxation		537,415	-
Tax on profit		-	-
Profit for the financial year		537,415	-

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

AFFILIATE SQUARED HOLDINGS LTD**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30 APRIL 2021**

	Year ended 30 April 2021	Period ended 30 April 2020
	£	£
Turnover	5,519,284	6,841,359
Cost of sales	(1,480,015)	(1,303,546)
	<hr/>	<hr/>
Gross profit	4,039,269	5,537,813
Administrative expenses	(993,484)	(405,293)
	<hr/>	<hr/>
Operating profit	3,045,785	5,132,520
Interest receivable and similar income	6,637	8,093
Interest payable and similar expenses	(9,046)	(16,016)
Gains on disposal of fixed asset investments	26,912	-
	<hr/>	<hr/>
Profit before taxation	3,070,288	5,124,597
Tax on profit	(602,056)	(982,852)
	<hr/>	<hr/>
Profit for the financial year	2,468,232	4,141,745
	<hr/>	<hr/>

AFFILIATE SQUARED HOLDINGS LTD

CONSOLIDATED BALANCE SHEET

AS AT 30 APRIL 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		468,446		469,762
Investment properties	6		2,971,691		1,763,535
Investments	7		207,227		-
			<u>3,647,364</u>		<u>2,233,297</u>
Current assets					
Debtors	10	49,399		26,578	
Investments	11	44,379		17,467	
Cash at bank and in hand		6,082,662		5,828,311	
		<u>6,176,440</u>		<u>5,872,356</u>	
Creditors: amounts falling due within one year	12	<u>(820,734)</u>		<u>(1,019,431)</u>	
Net current assets			<u>5,355,706</u>		<u>4,852,925</u>
Total assets less current liabilities			<u>9,003,070</u>		<u>7,086,222</u>
Provisions for liabilities			<u>(8,515)</u>		<u>(13,663)</u>
Net assets			<u>8,994,555</u>		<u>7,072,559</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss reserves			8,994,455		7,072,459
Total equity			<u>8,994,555</u>		<u>7,072,559</u>

These 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 board of directors and authorised for issue on 27 April 2022 and are signed on its behalf by:



Luke Neal
Director

Company Registration No. 12284305

AFFILIATE SQUARED HOLDINGS LTD

COMPANY BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	7		200		200
Current assets					
Debtors	10	56,410		-	
Creditors: amounts falling due within one year					
	12	(65,330)		(100)	
Net current liabilities			(8,920)		(100)
Net (liabilities)/assets			(8,720)		100
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			(8,820)		-
Total equity			(8,720)		100

These 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 board of directors and authorised for issue on 27 April 2022 and are signed on its behalf by:



Luke Neal
Director

Company Registration No. 12284305

AFFILIATE SQUARED HOLDINGS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 APRIL 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
As restated for the period ended 30 April 2020:				
Balance at 1 February 2019		100	4,114,458	4,114,558
Period ended 30 April 2020:				
Profit and total comprehensive income for the period		-	4,141,745	4,141,745
Dividends		-	(1,183,744)	(1,183,744)
Balance at 30 April 2020		100	7,072,459	7,072,559
Period ended 30 April 2021:				
Profit and total comprehensive income for the period		-	2,468,232	2,468,232
Dividends		-	(546,236)	(546,236)
Balance at 30 April 2021		100	8,994,455	8,994,555

AFFILIATE SQUARED HOLDINGS LTD

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2021

		2021	
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	16	3,227,181	
Interest paid		(9,046)	
Income taxes paid		(972,910)	
Net cash (outflow)/inflow from operating activities			2,245,225
Investing activities			
Purchase of tangible fixed assets		(48,984)	
Proceeds on disposal of tangible fixed assets		12,734	
Proceeds on disposal of investment property		1,763,535	
Purchase of investments		(221,670)	
Purchase of investment properties		(2,971,691)	
Interest received		6,637	
Other income received from investments		14,443	
Net cash generated from/(used in) investing activities			(1,444,996)
Financing activities			
Dividends paid		(546,235)	
Net cash used in financing activities			(546,235)
Net increase in cash and cash equivalents			253,994
Cash and cash equivalents at beginning of year		5,828,311	
Cash and cash equivalents at end of year			6,082,305
Relating to:			
Cash at bank and in hand		6,082,662	
Bank overdrafts included in creditors payable within one year		(357)	

AFFILIATE SQUARED HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

Company information

Affiliate Squared Holdings Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 7 Western Gardens, Brentwood, Essex, England, CM14 4SP.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The consolidated accounts have been prepared for the year to 30 April 2021. The prior period accounts comparatives were for a period of 15 months to 30 April 2020.

1.2 Turnover

Turnover represents the net amount receivable by the group after onward transmission of contractual payments.

1.3 Tangible fixed assets

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

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

Land and buildings Freehold	2% straight line
Fixtures, fittings & equipment	25% reducing balance

1.4 Investment properties

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

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

AFFILIATE SQUARED HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other 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.

AFFILIATE SQUARED HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

Other financial instruments, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair value cannot be measured reliably are measured at cost less impairment.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other creditors include obligations to transmit funds remitted to the company and not yet transmitted at the balance sheet date. Accounts 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 at historic cost.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

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

Current tax

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

AFFILIATE SQUARED HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

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 when the company has 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.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

AFFILIATE SQUARED HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

3 Auditor's remuneration

	2021 £
Fees payable to the company's auditor and associates:	
For audit services	
Audit of the financial statements of the group	15,600
For other services	
All other non-audit services	14,538
	<u>30,138</u>

The audit fees of the group are borne by its subsidiary Affiliate Squared Ltd.

4 Employees

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

	2021 Number
Total	<u>4</u>

5 Tangible fixed assets

Group:

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 May 2020	411,587	159,987	571,574
Additions	-	48,984	48,984
Disposals	-	(19,049)	(19,049)
Transfers	-	(23,000)	(23,000)
At 30 April 2021	<u>411,587</u>	<u>166,922</u>	<u>578,509</u>
Depreciation and impairment			
At 1 May 2020	25,858	75,955	101,813
Depreciation charged in the year	8,232	23,045	31,277
Eliminated in respect of disposals	-	(7,253)	(7,253)
Transfers	-	(15,774)	(15,774)
At 30 April 2021	<u>34,090</u>	<u>75,973</u>	<u>110,063</u>
Carrying amount			
At 30 April 2021	<u>377,497</u>	<u>90,948</u>	<u>468,446</u>

Company:

There are no fixed assets in the company.

AFFILIATE SQUARED HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

6 Investment property Group:

2021

£

Fair value

At 1 May 2020

1,763,535

Transfers

1,208,156

At 30 April 2021

2,971,691

Company:

There was no investment property held in the company.

7 Fixed asset investments

2021

£

Other investments other than loans

207,227

Movements in fixed asset investments

Investments

£

Cost or valuation

At 1 May 2020

-

Additions

207,227

At 30 April 2021

207,227

Carrying amount

At 30 April 2021

207,227

Fixed assets investment held in the company is £200, in respect of shares held in its subsidiaries.

8 Subsidiaries

Details of the group's subsidiaries at 30 April 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Affiliate Squared Limited	7 Western Gardens, Brentwood	Ordinary	100%
Affiliate Squared Projects Ltd	7 Western Gardens, Brentwood	Ordinary	100%

The subsidiaries did not trade during the previous year.

AFFILIATE SQUARED HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

9 Financial instruments

Group:

2021

£

Carrying amount of financial assets

Instruments measured at fair value through profit or loss

51,606

10 Debtors

Company

2021

£

Company

2020

£

Group

2021

£

Group

2020

£

Other debtors

56,410

-

49,399

26,578

56,410

-

49,399

26,578

11 Current asset investments

Group:

2021

£

2020

£

Other investments

44,379

17,467

There were no current assets investment held in the company.

12 Creditors: amounts falling due within one year

Amounts falling due within one year:

Company

2021

£

Company

2020

£

Group

2021

£

Group

2020

£

Bank overdraft

357

-

Corporation tax payable

612,634

978,340

Taxation and social security

794

153

Amount owed to group undertakings

100

100

Other creditors

65,230

206,949

25,638

Accruals and deferred income

15,300

65,330

100

820,734

1,019,431

13 Called up share capital

2021

£

2020

£

Ordinary share capital

Issued and fully paid

100 Ordinary shares at £1 each

100

100

AFFILIATE SQUARED HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

14 Related party transactions

Included under other debtors is an amount of £56,410 due from Affiliate Squared Ltd, a subsidiary of the company.

During the year, the group effectively paid £87,300 (2020: £80,690) to Mrs A M Morgan, the wife of the director for marketing and advertising expenses.

At the year end, dividends totalling £546,236 were received from Affiliate Squared Ltd and were paid to the shareholders of the company on the same day.

15 Ultimate controlling party

The ultimate controlling party is Mr Z Fisher.

16 Cash generated from operations

	2021 £
Profit for the year after tax	2,468,232
Adjustments for:	
Taxation charged	602,056
Finance costs	9,046
Investment income	(21,080)
Loss on disposal of tangible fixed assets	6,289
Depreciation and impairment of tangible fixed assets	31,277
Gain on sale of investments	(12,469)
Movements in working capital:	
Increase in debtors	(22,723)
Increase/(decrease) in creditors	166,553
Cash generated from operations	3,227,181

17 Analysis of changes in net funds

	1 May 2020 £	Cash flows £	30 April 2021 £
Cash at bank and in hand	5,828,311	254,351	6,082,662
Bank overdrafts	-	(357)	(357)
	<u>5,828,311</u>	<u>253,994</u>	<u>6,082,305</u>