

COMMERCIAL CORPORATE SERVICES LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

COMMERCIAL CORPORATE SERVICES LIMITED

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COMMERCIAL CORPORATE SERVICES LIMITED

Company Information

Directors A Hindmarch
 A Adams
 S D Hindmarch-Bye

Registered office Commercial House
 Old Station Drive
 Leckhampton
 Cheltenham
 GL53 0DL

Bankers Lloyds Bank Plc
 189 Bath Road
 Cheltenham
 GL53 7LY

Auditors Hazlewoods LLP
 Windsor House
 Bayshill Road
 Cheltenham
 GL50 3AT

COMMERCIAL CORPORATE SERVICES LIMITED

Directors' Report for the Year Ended 31 January 2020

The directors present their report and the for the year ended 31 January 2020.

Directors of the company

The directors who held office during the year were as follows:

A Hindmarch

A Adams

S D Hindmarch-Bye

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditors have expressed their willingness to remain in office.

Approved by the Board on 29 January 2021 and signed on its behalf by:

.....
A Hindmarch
Director

COMMERCIAL CORPORATE SERVICES LIMITED

Strategic Report for the Year Ended 31 January 2020

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

Fair review of the business

The board of Commercial Corporate Services are pleased to present our accounts to the 31 January 2020.

The business showed a good sales performance of £66,597,364, an increase of £1,117,136 on the previous year. The business won a number of new accounts during the year and is in a strong position for continued growth.

The business continues to invest in its people and infrastructure in order to facilitate its future growth and its sales target of £100,000,000. We have always operated profitably and show an operating profit of £472,122 for this financial year. This shows a decrease of £635,938 on the previous year, which is due to continued funding of our Charitable Foundation (£204,674), increased bonuses (over £500,000 at Management level) and a paper loss from our Subsidiaries companies of (£111,684) which we have divested from in 2020.

COVID-19 Update

As we write this report our business has had to adapt and respond to the ongoing COVID-19 pandemic. We have done this by diversifying our product range to support our customers in the provision of PPE. We also started two new divisions in Smart Technologies and Workwear both of which are doing well. Current results after 11 months of trading show an increase 9.2% in turnover which has strengthened our cashflows and balance sheet. We also secured £13.5million of funding which has not been used at the time of writing.

We have also won a number of new customers and with our financial stability we expect 2020 to be our strongest year to date with significant growth in both sales and profit.

Key performance indicators

Given the nature of the business, the group's directors are of the opinion that key performance indicators are important. The group uses a number of indicators to monitor and improve development, performance or the position of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments. The directors do not consider the inclusion of an analysis using key performance indicators to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the group.

COMMERCIAL CORPORATE SERVICES LIMITED

Strategic Report for the Year Ended 31 January 2020

Principal risks and uncertainties

The management of the group and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are considered to relate to competition from other providers of office supplies and IT services and the challenges arising as a result of the current economic climate.

Objectives and policies

The group does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price or liquidity risk.

Going concern

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for the Directors of UK Companies 2009' the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The group has been impacted by the COVID-19 pandemic and the directors have responded positively as noted above, as well as making use of the government furlough scheme, home working and conducting a full risk management assessment over all parts of the business.

As noted above in the business review, the directors also moved the focus of the business operations into new areas which both provided some security to the business and supported the UK response to the pandemic. This has resulted in increased revenues and a strong cash position at the date of sign off of these financial statements.

The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Approved by the Board on 29 January 2021 and signed on its behalf by:

.....
A Hindmarch
Director

COMMERCIAL CORPORATE SERVICES LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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 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; and
- 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COMMERCIAL CORPORATE SERVICES LIMITED

Independent Auditor's Report to the Members of Commercial Corporate Services Limited

Opinion

We have audited the financial statements of Commercial Corporate Services Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 January 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.

COMMERCIAL CORPORATE SERVICES LIMITED

Independent Auditor's Report to the Members of Commercial Corporate Services Limited

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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.

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

COMMERCIAL CORPORATE SERVICES LIMITED

Independent Auditor's Report to the Members of Commercial Corporate Services Limited

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.

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Jon Cartwright (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

29 January 2021

COMMERCIAL CORPORATE SERVICES LIMITED**Consolidated Profit and Loss Account for the Year Ended 31 January 2020**

	Note	2020 £	2019 £
Turnover	<u>3</u>	66,597,364	65,480,228
Cost of sales		<u>(45,914,729)</u>	<u>(45,881,667)</u>
Gross profit		20,682,635	19,598,561
Administrative expenses		(20,226,319)	(18,542,813)
Other operating income		<u>15,806</u>	<u>52,312</u>
Operating profit	<u>4</u>	472,122	1,108,060
Interest payable and similar charges		<u>(49,510)</u>	<u>(149,159)</u>
Profit before tax		422,612	958,901
Taxation	<u>7</u>	<u>(145,795)</u>	<u>(281,250)</u>
Profit for the financial year		<u>276,817</u>	<u>677,651</u>
Minority interest		110,255	26,171
Profit for the financial year attributable to members of the parent company		<u>387,072</u>	<u>703,822</u>

The above results were derived from continuing operations.

The group has no other comprehensive income for the year.

The notes on pages 15 to 31 form an integral part of these financial statements.

COMMERCIAL CORPORATE SERVICES LIMITED**(Registration number: 07531759)****Consolidated Balance Sheet as at 31 January 2020**

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	<u>8</u>	497,734	820,826
Tangible assets	<u>9</u>	4,360,654	4,759,193
Investments	<u>10</u>	675,084	678,835
		<u>5,533,472</u>	<u>6,258,854</u>
Current assets			
Stocks	<u>11</u>	2,377,414	1,966,493
Debtors	<u>12</u>	15,264,624	12,623,932
Cash at bank and in hand	<u>13</u>	1,177,483	1,338,361
		18,819,521	15,928,786
Creditors: Amounts falling due within one year	<u>14</u>	<u>(16,433,066)</u>	<u>(13,934,013)</u>
Net current assets		<u>2,386,455</u>	<u>1,994,773</u>
Total assets less current liabilities		7,919,927	8,253,627
Creditors: Amounts falling due after more than one year	<u>14</u>	<u>(1,067,158)</u>	<u>(1,677,675)</u>
Net assets		<u>6,852,769</u>	<u>6,575,952</u>
Capital and reserves			
Called up share capital	<u>19</u>	10,000	10,000
Merger reserve		78,023	78,023
Retained earnings		6,858,040	6,470,968
Equity attributable to owners of the company		6,946,063	6,558,991
Minority interests		<u>(93,294)</u>	16,961
Total equity		<u>6,852,769</u>	<u>6,575,952</u>

Approved and authorised by the Board on 29 January 2021 and signed on its behalf by:

.....
A Hindmarch
DirectorThe notes on pages 15 to 31 form an integral part of these financial statements.

COMMERCIAL CORPORATE SERVICES LIMITED

(Registration number: 07531759)

Balance Sheet as at 31 January 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	<u>10</u>	3,185,007	3,488,758
Current assets			
Debtors	<u>12</u>	662,916	691,187
Cash at bank and in hand		24,055	19,748
		<u>686,971</u>	<u>710,935</u>
Creditors: Amounts falling due within one year	<u>14</u>	<u>(3,848,416)</u>	<u>(4,176,131)</u>
Net current liabilities		<u>(3,161,445)</u>	<u>(3,465,196)</u>
Net assets		<u>23,562</u>	<u>23,562</u>
Capital and reserves			
Called up share capital	<u>19</u>	10,000	10,000
Retained earnings		<u>13,562</u>	<u>13,562</u>
Total equity		<u>23,562</u>	<u>23,562</u>

The company made a profit after tax for the financial year of £- (2019 - profit of £456,147).

Approved and authorised by the Board on 29 January 2021 and signed on its behalf by:

.....

A Hindmarch

Director

The notes on pages 15 to 31 form an integral part of these financial statements.

COMMERCIAL CORPORATE SERVICES LIMITED

Consolidated Statement of Changes in Equity for the Year Ended 31 January 2020
Equity attributable to the parent company

	Share capital £	Merger reserve £	Retained earnings £	Total £	Non- controlling interests £	Total
At 1 February 2018	10,000	78,023	6,223,293	6,311,316	136,642	6,447,961
Profit/(loss) for the year	-	-	703,822	703,822	(26,171)	677,651
Dividends	-	-	(456,147)	(456,147)	-	(456,147)
Acquisition of non-controlling interest, decrease/ (increase) in equity	-	-	-	-	(93,510)	(93,510)
At 31 January 2019	10,000	78,023	6,470,968	6,558,991	16,961	6,575,952

	Share capital £	Merger reserve £	Retained earnings £	Total £	Non- controlling interests £	Total eq
At 1 February 2019	10,000	78,023	6,470,968	6,558,991	16,961	6,575,952
Profit/(loss) for the year	-	-	387,072	387,072	(110,255)	276,817
At 31 January 2020	10,000	78,023	6,858,040	6,946,063	(93,294)	6,852,769

The notes on pages 15 to 31 form an integral part of these financial statements.

COMMERCIAL CORPORATE SERVICES LIMITED**Statement of Changes in Equity for the Year Ended 31 January 2020**

	Share capital £	Retained earnings £	Total £
At 1 February 2018	10,000	13,562	23,562
Profit for the year	-	456,147	456,147
Dividends	-	(456,147)	(456,147)
	<hr/>	<hr/>	<hr/>
At 31 January 2019	10,000	13,562	23,562
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Share capital £	Retained earnings £	Total £
At 1 February 2019	10,000	13,562	23,562
	<hr/>	<hr/>	<hr/>
At 31 January 2020	10,000	13,562	23,562
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 31 form an integral part of these financial statements.

COMMERCIAL CORPORATE SERVICES LIMITED**Consolidated Statement of Cash Flows for the Year Ended 31 January 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		276,817	677,651
Adjustments to cash flows from non-cash items:			
Depreciation and amortisation	<u>4</u>	1,446,966	1,358,186
(Profit)/loss on disposal of tangible fixed assets		(9,853)	32,126
Finance costs		49,510	149,159
Corporation tax expense	<u>7</u>	145,795	281,250
		<hr/> 1,909,235	<hr/> 2,498,372
Working capital adjustments:			
(Increase)/decrease in stock	<u>11</u>	(410,921)	145,733
(Increase)/decrease in debtors		(2,734,299)	1,528,113
Increase/(decrease) in creditors		<hr/> 5,761,115	<hr/> (2,356,338)
Cash generated from operations		4,525,130	1,815,880
Corporation taxes received/(paid)		<hr/> 93,756	<hr/> (545,344)
Net cash flow from operating activities		<hr/> 4,618,886	<hr/> 1,270,536
Cash flows from investing activities			
Acquisitions of tangible fixed assets		(726,026)	(1,472,753)
Proceeds from sale of tangible fixed assets		31,903	9,900
Acquisition of intangible assets		(21,359)	(28,571)
Movement in capital account invested in limited liability partnership		<hr/> 2,751	<hr/> (11,085)
Net cash flows from investing activities		<hr/> (712,731)	<hr/> (1,502,509)
Cash flows from financing activities			
Interest paid		(49,510)	(149,159)
Repayment of bank borrowing		(606,755)	(41,153)
Payments to finance lease creditors		(220,843)	(133,191)
Dividends paid		<hr/> -	<hr/> (456,147)
Net cash flows from financing activities		<hr/> (877,108)	<hr/> (779,650)
Net increase/(decrease) in cash and cash equivalents		3,029,047	(1,011,623)
Cash and cash equivalents at 1 February		<hr/> (2,026,005)	<hr/> (1,014,382)
Cash and cash equivalents at 31 January		<hr/> <hr/> 1,003,042	<hr/> <hr/> (2,026,005)

The notes on pages 15 to 31 form an integral part of these financial statements.

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
Commercial House
Old Station Drive
Leckhampton
Cheltenham
GL53 0DL

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 January 2020.

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

In assessing whether the going concern basis is appropriate, the directors take into account all available information about the future, which is at least, but not limited to, 12 months from the date of signing these financial statements. The directors have considered the impacts of Covid-19 on the financial statements and the future of the business.

The group has been impacted by the COVID-19 pandemic and the directors have considered various scenarios in order to ensure that the business was protected.

Cash is being managed and the group has secured sufficient facilities to support the business over the coming year. The directors also moved the focus of the business operations into new areas which both provided some security to the business and supported the UK response to the pandemic.

The financial statements have therefore been prepared on the going concern basis, which the directors believe to be appropriate.

Critical accounting 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 amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and estimation uncertainty

No significant judgements have been made by management in preparing these financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

Tax

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

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short term leasehold property	20% straight line
Rental machines	Over the lower of the rental agreement or 3 years
Motor vehicles	33% straight line
Fixtures and fittings	25% straight line
Print technology	10% or 20% straight line
Other fixed assets	25% or 50% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible fixed assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 5 years

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out method.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Loans and borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets:

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets:

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

3 Turnover

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Stationery and print	44,266,752	43,155,798
Interiors	6,019,868	5,936,602
Managed print services	5,569,248	5,932,510
IT infrastructure managed services	10,741,496	10,455,318
	<u>66,597,364</u>	<u>65,480,228</u>

The analysis of the group's revenue for the year by market is as follows:

	2020 £	2019 £
UK	65,966,303	64,408,986
Europe	631,061	1,071,242
	<u>66,597,364</u>	<u>65,480,228</u>

4 Operating profit

Arrived at after charging / (crediting):

	2020 £	2019 £
Depreciation expense	1,103,200	1,039,429
Amortisation expense	343,766	318,756
Foreign exchange losses	(28,827)	(254)
Operating leases	240,884	228,180
(Profit)/loss on disposal of tangible fixed assets	(9,853)	32,126
Auditor's remuneration - the audit of the group's annual statutory accounts	30,500	30,000
	<u>30,500</u>	<u>30,000</u>

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	13,685,219	12,005,108
Social security costs	1,477,729	1,533,112
Pension costs, defined contribution scheme	368,044	239,585
	<u>15,530,992</u>	<u>13,777,805</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Administration	99	105
Sales and account management	147	140
Distribution	24	26
Support services	73	72
	<u>343</u>	<u>343</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	1,200,815	670,486
Contributions paid to money purchase schemes	17,736	6,989
	<u>1,218,551</u>	<u>677,475</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2020 £	2019 £
Remuneration	<u>419,315</u>	<u>249,698</u>

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

7 Taxation

Tax charged / (credited) in the income statement:

	2020 £	2019 £
Current taxation		
UK corporation tax	161,037	317,285
UK corporation tax adjustment to prior periods	1,645	-
	<u>162,682</u>	<u>317,285</u>
Total corporation tax	162,682	317,285
Deferred taxation		
Arising from origination and reversal of timing differences	(16,887)	(36,035)
	<u>145,795</u>	<u>281,250</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>422,612</u>	<u>958,901</u>
Corporation tax at standard rate	80,296	164,424
Effect of expense not deductible in determining taxable profit	34,677	47,739
UK deferred tax expense relating to changes in tax rates	(11,617)	52,826
Other tax effects for reconciliation between accounting profit and tax expense	42,439	16,261
Total tax charge	<u>145,795</u>	<u>281,250</u>

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £
2020	
Accelerated capital allowances	87,659
	<hr/> <hr/>
2019	
Accelerated capital allowances	73,119
	<hr/> <hr/>

8 Intangible fixed assets

Group

	Goodwill £	Computer software £	Total £
Cost			
At 1 February 2019	1,150,103	1,097,932	2,248,035
Additions	-	21,359	21,359
Disposals	(342,088)	(16,740)	(358,828)
	<hr/>	<hr/>	<hr/>
At 31 January 2020	808,015	1,102,551	1,910,566
Amortisation			
At 1 February 2019	717,428	709,781	1,427,209
Amortisation charge	161,603	182,163	343,766
Amortisation eliminated on disposals	(342,088)	(16,055)	(358,143)
	<hr/>	<hr/>	<hr/>
At 31 January 2020	536,943	875,889	1,412,832
Carrying amount			
At 31 January 2020	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	271,072	226,662	497,734
At 31 January 2019	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	432,675	388,151	820,826

Fully amortised goodwill has been disposed of as this has reached the end of its useful life.

COMMERCIAL CORPORATE SERVICES LIMITED**Notes to the Financial Statements for the Year Ended 31 January 2020****9 Tangible fixed assets****Group**

	Land and buildings £	IT equipment £	Office furniture and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 February 2019	3,087,862	2,134,152	780,367	3,746,182	9,748,563
Additions	2,287	148,657	125,469	449,613	726,026
Disposals	(26,552)	(54,164)	(13,417)	(409,758)	(503,891)
At 31 January 2020	<u>3,063,597</u>	<u>2,228,645</u>	<u>892,419</u>	<u>3,786,037</u>	<u>9,970,698</u>
Depreciation					
At 1 February 2019	658,334	1,254,056	509,073	2,567,907	4,989,370
Charge for the year	62,627	236,159	163,142	641,272	1,103,200
Eliminated on disposal	(26,551)	(34,330)	(11,887)	(409,758)	(482,526)
At 31 January 2020	<u>694,410</u>	<u>1,455,885</u>	<u>660,328</u>	<u>2,799,421</u>	<u>5,610,044</u>
Carrying amount					
At 31 January 2020	<u>2,369,187</u>	<u>772,760</u>	<u>232,091</u>	<u>986,616</u>	<u>4,360,654</u>
At 31 January 2019	<u>2,429,528</u>	<u>880,096</u>	<u>271,294</u>	<u>1,178,275</u>	<u>4,759,193</u>

Included within the net book value of land and buildings above is £2,312,079 (2019 - £2,363,124) in respect of freehold land and buildings and £57,108 (2019 - £66,404) in respect of short leasehold land and buildings.

Leased assets

Included within the net book value of tangible fixed assets is £835,302 (2019 - £1,134,655) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £603,510 (2018 - £521,798).

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

10 Investments

Group

	Unlisted investments £
Cost and net book value	
At 1 February 2019	678,835
Movements in capital account of LLP investment	<u>(3,751)</u>
At 31 January 2020	<u><u>675,084</u></u>

Company

	2020 £	2019 £
Shares in group undertakings	2,509,923	2,809,923
Unlisted investments	<u>675,084</u>	<u>678,835</u>
	<u><u>3,185,007</u></u>	<u><u>3,488,758</u></u>
		£

Cost

At 1 February 2019	2,809,923
Impairment of investment	<u>(300,000)</u>
At 31 January 2020	<u>2,509,923</u>

Carrying amount

At 31 January 2020	<u><u>2,509,923</u></u>
At 31 January 2019	<u><u>2,809,923</u></u>

The investment in In2Print Part of Commercial Limited was disposed of on 6 March 2020 for £nil. As such this investment has been written down to its recoverable amount at 31 January 2020.

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Commercial Limited	England	Ordinary	100%	100%
Commercial IT Services Limited	England	Ordinary	100%	100%
Commercial Recruitment Limited	England	Ordinary	100%	100%
In2Print Part of Commercial Group Limited	England	Ordinary B	51%	51%
The Print Giant Limited*	England	Ordinary	26%	26%
Wiles Greenworld Limited	England	Ordinary	100%	100%
Commercial Creative Systems Limited	England	Ordinary	51%	51%

* Indirect holding through In2Print Part of Commercial Group Limited which holds 51% in the ordinary share capital in The Print Giant Limited.

The company is a corporate partner in, but does not have control of, in Commercial Recruitment (2005) LLP, which trades as a staff agency. For the year ended 31 January 2020 it reported neither a profit nor a loss (2019 - neither a profit nor a loss), and net amounts due to members at that date was £1,000 (2019 - £1,000).

The company is a corporate partner in, but does not have control of, in Ledbury Projects LLP, which trades as a land and property development partnership. For the year ended 31 January 2020 it reported a profit of £2,377 (2019 - £426,627), and net amounts due to the members at that date was £578,260 (2019 - £609,400).

11 Stocks

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Stocks for resale	2,377,414	1,966,493	-	-

COMMERCIAL CORPORATE SERVICES LIMITED**Notes to the Financial Statements for the Year Ended 31 January 2020****12 Debtors**

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	11,780,775	11,214,157	-	-
Loans to related parties	75	42,767	75	42,767
Other debtors	3,037,633	971,404	662,841	648,420
Prepayments and accrued income	358,482	322,485	-	-
Deferred tax assets	87,659	73,119	-	-
	<u>15,264,624</u>	<u>12,623,932</u>	<u>662,916</u>	<u>691,187</u>

13 Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Cash on hand	1,032	271	-	-
Cash at bank	<u>1,176,451</u>	<u>1,338,090</u>	<u>24,055</u>	<u>19,748</u>
	1,177,483	1,338,361	24,055	19,748
Bank overdrafts	<u>(174,441)</u>	<u>(3,364,366)</u>	-	-
Cash and cash equivalents in statement of cash flows	<u>1,003,042</u>	<u>(2,026,005)</u>	<u>24,055</u>	<u>19,748</u>

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

14 Creditors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Due within one year				
Loans and borrowings	697,071	4,104,077	-	-
Trade creditors	11,557,754	6,385,138	-	-
Amounts owed to group undertakings	-	-	3,753,416	4,081,131
Social security and other taxes	1,109,956	1,092,734	-	-
Other creditors	908,228	392,368	95,000	95,000
Accruals and deferred income	1,997,166	1,941,749	-	-
Corporation tax liability	162,891	17,947	-	-
	<u>16,433,066</u>	<u>13,934,013</u>	<u>3,848,416</u>	<u>4,176,131</u>
Due after one year				
Loans and borrowings	374,331	984,848	-	-
Other non-current financial liabilities	692,827	692,827	-	-
	<u>1,067,158</u>	<u>1,677,675</u>	<u>-</u>	<u>-</u>

15 Loans and borrowings

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Current loans and borrowings				
Bank borrowings	-	144,177	-	-
Bank overdrafts	174,441	3,364,366	-	-
Finance lease liabilities	522,630	595,534	-	-
	<u>697,071</u>	<u>4,104,077</u>	<u>-</u>	<u>-</u>
Non-current loans and borrowings				
Bank borrowings	-	462,578	-	-
Finance lease liabilities	374,331	522,270	-	-
	<u>374,331</u>	<u>984,848</u>	<u>-</u>	<u>-</u>

Security has been given by the group over the bank loan and overdraft.

The bank loan is denominated in £ with a nominal interest rate of 2.7% above base%, and the final instalment is due on 31 January 2023. The loan was fully repaid during the year (2019 - carrying amount of £606,755).

The finance lease liabilities are secured over the assets of they relate to.

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

16 Dividends

	2020 £	2019 £
Dividends paid	-	456,147

The dividends were payable to the directors.

17 Obligations under leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	22,000	38,667
Later than one year and not later than five years	44,000	66,000
	<u>66,000</u>	<u>104,667</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £240,884 (2019 - £228,180).

18 Pension and other schemes

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £368,044 (2019 - £239,585).

Contributions totalling £36,642 (2018 - £14,422) were payable to the scheme at the year end and are included in creditors.

19 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary A of £0.10 each	100,003	10,000.30	100,003	10,000.30

COMMERCIAL CORPORATE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 January 2020

20 Related party transactions

Group

During the year the group rented premises from a pension scheme whose beneficiary is A Hindmarch, a director, for the sum of £62,000 (2019 - £62,000), which the directors consider to be a market value rent.

At the year end the following amounts were due from/(to) directors:

A Adams - £75 (2019 - £915)

A Hindmarch - £Nil (2019 (13,600))

S D Hindmarch Bye - £nil (2019 - 28,298)

At the year end the group was owed £1,716,046 (2019 - £210,000) by Journey Holdings Limited, a company in which A Hindmarch is a director.

At the year end the group was owed £364,390 (2019 - £nil) by Lane Britton and Jenkins Limited, a company in which A Hindmarch is a director.

At the year end the group was owed £517,841 (2019 - £503,420) by Property Solutions (Ledbury) Limited, a company in which A Hindmarch is a director.

These balances appear as other debtors in the financial statements.

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 6 to the financial statements.

21 Control

The company has no single controlling entity.

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