

COMPANY REGISTRATION NUMBER: 08451685

PHOSTERS (FM) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

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COMPANIES HOUSE

LANGARD LIFFORD HALL LIMITED

Accountants & Statutory Auditor

Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN

PHOSTERS (FM) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

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PHOSTERS (FM) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

P S Taylor
S W Heaton

Registered Office

Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN

Auditor

Langard Lifford Hall Limited
Accountants & Statutory Auditor
Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN

PHOSTERS (FM) LIMITED
STRATEGIC REPORT
YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the company for the year ended 31 December 2021.

Principal activity and business review

The principal activity of the company during the year continued to be that of providing facility management services.

The company's primary focus and significant effort during the year has been to provide excellent service to its existing customers and to explore new business opportunities. The results show an increase in turnover on the prior period and continued profitability.

The company continues to monitor its performance through key performance indicators as follows:

	2021	2020
	£	£
Turnover	56,067,232	36,520,447
Gross profit margin %	16	13
Profit for the financial year	2,859,717	299,063
Shareholders funds	2,051,649	291,932

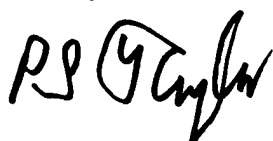
Principal risks and uncertainties

The directors are of the opinion that there are no specific risks attributable to the company which need to be highlighted other than normal commercial risks. Risks to the business are reported and reviewed at regular meetings of the directors and risk mitigation strategies implemented as appropriate.

Charitable Donations

Post year end, the company made a generous donation in support of the Ukraine Humanitarian Appeal, to help provide aid to people fleeing the conflict in Ukraine.

This report was approved by the board of directors on 4 August 2022 and signed on behalf of the board by:



P S Taylor
 Director

Registered office:
 Lifford Hall , Lifford Hall
 Kings Norton
 Birmingham
 B30 3JN

PHOSTERS (FM) LIMITED**DIRECTORS' REPORT****YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements of the company for the year ended 31 December 2021.

Directors

The directors who served the company during the year were as follows:

P S Taylor

S W Heaton

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Future Developments

The directors expect activity to increase further in 2022, with related rise in profitability. The directors are not anticipating any significant contract terminations for the foreseeable future.

Greenhouse Gas Emissions and Energy Consumption**Information Not Included**

The company consumed 40,000kWh of energy or less in the UK during the year, therefore, no disclosure is required.

Employment of Disabled Persons

The company is an equal opportunities employer and values the diversity of its workforce. The company is committed to prohibiting discrimination on the grounds of disability in all employment matters and to increase employment opportunities for people who have a disability. The company will ensure that its HR processes, including those for recruitment, selection, training, career development and promotion, do not discriminate against employees with disabilities. The company will wherever possible make reasonable adjustments to support disabled job applicants and employees.

Employee Involvement

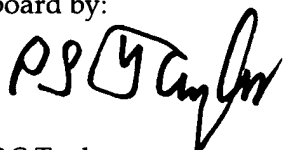
The flow of information to staff has been maintained. Members of the management team regularly discuss matters of current interest and concern to the business with members of staff.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 4 August 2022 and signed on behalf of the board by:



P S Taylor

Director

Registered office:

Lifford Hall, Lifford Lane

Kings Norton

Birmingham B30 3JN

PHOSTERS (FM) LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2021

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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

PHOSTERS (FM) LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PHOSTERS (FM) LIMITED****YEAR ENDED 31 DECEMBER 2021****Opinion**

We have audited the financial statements of Phosters (FM) Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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 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 company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

PHOSTERS (FM) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PHOSTERS (FM) LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2021

Opinions on Other Matters Prescribed by the Companies Act 2006

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

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

Matters on Which We are Required to Report by Exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of Directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

PHOSTERS (FM) LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PHOSTERS (FM) LIMITED** *(continued)***YEAR ENDED 31 DECEMBER 2021****Auditor's Responsibilities for the Audit of the Financial Statements**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias through judgements and assumptions in significant accounting estimates. Audit procedures performed included:

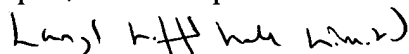
- Discussions with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation and where relevant testing of the operating effectiveness of management's controls designed to prevent and detect fraud in financial reporting;
- Review of minutes from board meetings; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

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

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.

Use of Our Report

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.



K S Chambers (Senior Statutory Auditor)
For and on behalf of
Langard Lifford Hall Limited
Accountants & Statutory Auditor
Lifford Hall, Lifford Lane
Kings Norton
Birmingham B30 3JN

4 August 2022

PHOSTERS (FM) LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	56,067,232	36,520,447
Cost of sales		<u>47,013,345</u>	<u>31,766,972</u>
Gross Profit		9,053,887	4,753,475
Administrative expenses		5,514,960	4,411,534
Other operating income	5	<u>-</u>	<u>64,183</u>
Operating Profit	6	3,538,927	406,124
Profit Before Taxation		<u>3,538,927</u>	<u>406,124</u>
Tax on profit	10	<u>679,210</u>	<u>107,061</u>
Profit for the Financial Year and Total Comprehensive Income		<u><u>2,859,717</u></u>	<u><u>299,063</u></u>
Dividends paid and payable	11	(1,100,000)	(100,000)
Retained Earnings at the Start of the Year		<u>291,832</u>	<u>92,769</u>
Retained Earnings at the End of the Year		<u><u>2,051,549</u></u>	<u><u>291,832</u></u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 17 form part of these financial statements.

PHOSTERS (FM) LIMITED
STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2021

	Note	2021 £	£	2020 £	£
Fixed Assets					
Tangible assets	13		60,496		51,150
Current Assets					
Stocks	14	25,134		24,885	
Debtors	15	13,710,635		12,283,602	
Cash at bank and in hand		3,738,818		1,164,418	
		<u>17,474,587</u>		<u>13,472,905</u>	
Creditors: amounts falling due within one year	16	<u>15,483,434</u>		<u>13,232,123</u>	
Net Current Assets			<u>1,991,153</u>		<u>240,782</u>
Total Assets Less Current Liabilities			<u>2,051,649</u>		<u>291,932</u>
Net Assets			<u>2,051,649</u>		<u>291,932</u>
Capital and Reserves					
Called up share capital	19		100		100
Profit and loss account			<u>2,051,549</u>		<u>291,832</u>
Shareholder Funds			<u>2,051,649</u>		<u>291,932</u>

These financial statements were approved by the board of directors and authorised for issue on 4 August 2022, and are signed on behalf of the board by:



P S Taylor
 Director

Company registration number: 08451685

The notes on pages 10 to 17 form part of these financial statements.

PHOSTERS (FM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Lifford Hall, Lifford Lane, Kings Norton, Birmingham, B30 3JN.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting Policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Phosters Holdings Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

The Turnover shown in the profit and loss account represents the realisable value of work undertaken during the year, exclusive of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

PHOSTERS (FM) LIMITED**NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2021****3. Accounting Policies** *(continued)***Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

PHOSTERS (FM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

3. Accounting Policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	15% straight line
Fixtures and fittings	-	15% straight line
Office equipment	-	15% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

PHOSTERS (FM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

3. Accounting Policies *(continued)*

Government grants *(continued)*

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

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 entity after deducting all of its financial liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2021	2020
	£	£
Rendering of services	<u>56,067,232</u>	<u>36,520,447</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other Operating Income

	2021	2020
	£	£
Government grant income	<u>-</u>	<u>64,183</u>

6. Operating Profit

Operating profit or loss is stated after charging:

	2021	2020
	£	£
Depreciation of tangible assets	19,177	17,905
Lease payments recognised as an expense	<u>-</u>	<u>71,417</u>

PHOSTERS (FM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

7. Auditor's Remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>15,000</u>	<u>15,000</u>

8. Staff Costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021	2020
	No.	No.
Administrative staff	35	28
Operations staff	<u>1,397</u>	<u>934</u>
	<u>1,432</u>	<u>962</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	26,850,413	19,758,226
Social security costs	2,202,824	1,645,110
Other pension costs	<u>413,502</u>	<u>286,671</u>
	<u>29,466,739</u>	<u>21,690,007</u>

9. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	<u>197,258</u>	<u>127,258</u>

10. Tax on Profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	679,210	107,062
Adjustments in respect of prior periods	-	(1)
Total current tax	<u>679,210</u>	<u>107,061</u>
Tax on profit	<u>679,210</u>	<u>107,061</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020
	£	£
Profit on ordinary activities before taxation	<u>3,538,927</u>	<u>406,124</u>
Profit on ordinary activities by rate of tax	672,396	77,164
Adjustment to tax charge in respect of prior periods	-	(1)
Effect of expenses not deductible for tax purposes	10,270	26,673
Effect of capital allowances and depreciation	<u>(3,456)</u>	<u>3,225</u>
Tax on profit	<u>679,210</u>	<u>107,061</u>

PHOSTERS (FM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2021	2020
	£	£
Equity dividends on ordinary shares	<u>1,100,000</u>	<u>100,000</u>

12. Intangible Assets

	Goodwill
	£
Cost	
At 1 January 2021 and 31 December 2021	<u>20,001</u>
Amortisation	
At 1 January 2021 and 31 December 2021	<u>20,001</u>
Carrying amount	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

13. Tangible Assets

	Plant and machinery	Fixtures and fittings	Office equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	21,152	-	98,338	119,490
Additions	-	28,523	-	28,523
At 31 December 2021	<u>21,152</u>	<u>28,523</u>	<u>98,338</u>	<u>148,013</u>
Depreciation				
At 1 January 2021	14,190	-	54,150	68,340
Charge for the year	2,836	2,171	14,170	19,177
At 31 December 2021	<u>17,026</u>	<u>2,171</u>	<u>68,320</u>	<u>87,517</u>
Carrying amount				
At 31 December 2021	<u>4,126</u>	<u>26,352</u>	<u>30,018</u>	<u>60,496</u>
At 31 December 2020	<u>6,962</u>	<u>-</u>	<u>44,188</u>	<u>51,150</u>

14. Stocks

	2021	2020
	£	£
Stock	<u>25,134</u>	<u>24,885</u>

PHOSTERS (FM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

15. Debtors

	2021	2020
	£	£
Trade debtors	13,334,492	11,864,636
Amounts owed by group undertakings	-	31,519
Prepayments and accrued income	376,143	387,447
	13,710,635	12,283,602

16. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	9,477,631	6,984,566
Amounts owed to group undertakings	968,281	-
Accruals and deferred income	1,694,281	1,623,591
Corporation tax	679,210	107,062
Social security and other taxes	1,632,315	3,122,389
Director loan accounts	3,515	30,452
Amounts due to invoice discounter	1,028,201	1,364,063
	15,483,434	13,232,123

Director loan accounts and amounts due to invoice discounter are secured by a legal charge on certain assets of the company.

17. Employee Benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £413,502 (2020: £286,671).

18. Government Grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	-	64,183
	-	64,183

19. Called Up Share Capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

PHOSTERS (FM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

20. Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	50,136	94,498
Later than 1 year and not later than 5 years	24,092	32,150
	74,228	126,648

21. Contingencies

There are fixed and floating debentures in place in favour of Peak Cashflow Limited dated 26 November 2013 and the directors, P S Taylor and S W Heaton dated 19 April 2014.

22. Directors' Advances, Credits and Guarantees

Amounts owed to the directors at the balance sheet date are included in creditors and totalled £3,515 (2020: £30,452).

The directors provide a personal guarantee to the invoice discounter company, limited to £25,000 each.

23. Related Party Transactions

S W Heaton is also a director of Photosynthesis Limited, amounts owed to Photosynthesis Limited at the balance sheet date are included in other creditors and totalled £- (2020: £-). The company purchased goods from Photosynthesis Limited during the year of £577,800 (2020: £212,500).

The company has taken advantage of the exemption in FRS 102 s33.1A from disclosing transactions with related parties that are part of the group, as it is a wholly owned subsidiary and consolidated accounts in which the company is included, are publicly available.

24. Controlling Party

The ultimate parent company is Phosters Holdings Limited, a company registered in England and Wales.