

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
HAYWARD SERVICES HOLDINGS LIMITED**

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for the Year Ended 31 March 2020**

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HAYWARD SERVICES HOLDINGS LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2020

DIRECTORS:

D Simpson
I D Forrest
E I Gordon
S Walker

SECRETARY:

R A C Scars

REGISTERED OFFICE:

227 Berwick Avenue
Slough
Berkshire
SL1 4QT

REGISTERED NUMBER:

05440557 (England and Wales)

AUDITORS:

Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

**GROUP STRATEGIC REPORT
for the Year Ended 31 March 2020**

The directors present their strategic report of the company and the group for the year ended 31 March 2020.

REVIEW OF BUSINESS

Sales for the period ended 31 March 2020 were £16m (2019: £13.63m) and the gross margin was 23% (2019: 23%).

Operating profit was £903k (2019: £460k) and profit after tax was £744k (2019: £369k).

The directors are satisfied with the results for the year and the business continues to perform well in what is a competitive market place.

The business continues to grow with new contracts and is performing to a standard enabling it to retain re-tendered business, despite the Covid-19 crisis.

KEY PERFORMANCE INDICATORS

The business' main key performance indicators are income, wages costs, profit margins, cashflow and working capital, all of which are monitored by the directors and are currently showing no major issues for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

Staff risk

The smooth running of the business is dependent upon recruitment of cleaning operatives. The company expends considerable effort to recruit successfully at the sites where it provides service. Additionally, the support and training that is provided to operatives improves retention and reduces the recruitment requirement. Our senior and contract management teams are extremely stable.

Credit risk

Trade debtors are the company's principal financial asset yet the directors do not consider collection of them of any great risk. The company has a very good history of debt collection and there have been no bad debts to write off in recent years. A very large percentage of the company's customer base is made up of government departments and other extremely creditable organisations.

Covid-19 crisis

Since the start of 2020 the novel coronavirus pandemic has arisen and is affecting many businesses. This has had an effect on schools, colleges and universities due to closures, and therefore the company has been and will continue to be impacted.

There has been an initiative by the government whereby public sector bodies continue to pay their contractors, which has greatly helped the business' position.

A great deal of time, effort and money has been invested in ensuring the business is Covid-19 compliant in terms of office workspace and operational procedures on site. Our clients have had to be reactive to changing government guidance and this has stretched the business operationally. In addition, the company has made considerable capital investment in new misting technology in order to help our clients combat the spread of infection.

Overall, the business has managed to navigate the pandemic relatively unscathed financially, primarily because most of our contracts are in the education sector, which is government funded.

The directors are confident that even under the most pessimistic outcomes, the company will be able to remain profitable in 2020, with profits expected to at least match the previous year despite reduced opportunities for growth due to delays and cancellations of tendering processes.

DISABLED EMPLOYEES

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities.

In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the group may continue.

It is the policy of the group that training, career development and promotion opportunities should be made available to all employees.

**GROUP STRATEGIC REPORT
for the Year Ended 31 March 2020**

COMPLIANCE WITH GENDER PAY GAP REPORTING REQUIREMENTS

Hayward Services Limited is the only company in the group required to publish its Gender Pay Gap details. However, as the requirement to publish data have been suspended due to the pandemic, Hayward Services will publish its results for the next financial year. These will be available on the company website.

ON BEHALF OF THE BOARD:

S Walker - Director

18 February 2021

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2020**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2020.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £500 per share.

The total distribution of dividends for the year ended 31 March 2020 will be £500,000.

FUTURE DEVELOPMENTS

We recognise that a large percentage of the subsidiarys' turnover is in the public sector and the directors plan to grow the commercial sector of the business in order to rebalance the contract portfolio over the next two years.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

D Simpson
I D Forrest
E I Gordon
S Walker

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2020**

AUDITORS

The auditors, Oury Clark Chartered Accountants, are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

S Walker - Director

18 February 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAYWARD SERVICES HOLDINGS LIMITED

Opinion

We have audited the financial statements of Hayward Services Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the 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 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 in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAYWARD SERVICES HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 four, 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 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Richard Oury (Senior Statutory Auditor)
for and on behalf of Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

8 March 2021

CONSOLIDATED INCOME STATEMENT
for the Year Ended 31 March 2020

	Notes	31.3.20 £	31.3.19 £
TURNOVER		16,021,507	13,629,835
Cost of sales		<u>12,380,732</u>	<u>10,485,347</u>
GROSS PROFIT		3,640,775	3,144,488
Administrative expenses		<u>2,777,559</u>	<u>2,706,063</u>
		863,216	438,425
Other operating income		<u>(25,719)</u>	<u>21,090</u>
OPERATING PROFIT	4	837,497	459,515
Interest receivable and similar income		<u>4,576</u>	<u>3,496</u>
		842,073	463,011
Interest payable and similar expenses	5	<u>63</u>	<u>7</u>
PROFIT BEFORE TAXATION		842,010	463,004
Tax on profit	6	<u>163,534</u>	<u>93,679</u>
PROFIT FOR THE FINANCIAL YEAR		<u>678,476</u>	<u>369,325</u>
Profit attributable to:			
Owners of the parent		681,584	369,811
Non-controlling interests		<u>(3,108)</u>	<u>(486)</u>
		<u>678,476</u>	<u>369,325</u>

The notes form part of these financial statements

CONSOLIDATED OTHER COMPREHENSIVE INCOME
for the Year Ended 31 March 2020

	Notes	31.3.20 £	31.3.19 £
PROFIT FOR THE YEAR		678,476	369,325
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>678,476</u>	<u>369,325</u>
Total comprehensive income attributable to:			
Owners of the parent		681,584	369,811
Non-controlling interests		<u>(3,108)</u>	<u>(486)</u>
		<u>678,476</u>	<u>369,325</u>

CONSOLIDATED BALANCE SHEET
31 March 2020

	Notes	31.3.20 £	£	31.3.19 £	£
FIXED ASSETS					
Intangible assets	9		139,662		172,524
Tangible assets	10		207,042		230,079
Investments	11		-		-
Investment property	12		-		187,407
			<u>346,704</u>		<u>590,010</u>
CURRENT ASSETS					
Stocks	13	72,606		64,913	
Debtors	14	2,248,183		2,583,035	
Investments	15	74,696		110,213	
Cash at bank and in hand		<u>490,038</u>		<u>121,833</u>	
		2,885,523		2,879,994	
CREDITORS					
Amounts falling due within one year	16	<u>2,503,019</u>		<u>2,909,704</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>382,504</u>		<u>(29,710)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			729,208		560,300
PROVISIONS FOR LIABILITIES	19		<u>23,909</u>		<u>33,475</u>
NET ASSETS			<u>705,299</u>		<u>526,825</u>
CAPITAL AND RESERVES					
Called up share capital	20		200		200
Capital redemption reserve	21		520,800		520,800
Retained earnings	21		<u>190,244</u>		<u>8,660</u>
SHAREHOLDERS' FUNDS			711,244		529,660
NON-CONTROLLING INTERESTS	22		<u>(5,945)</u>		<u>(2,835)</u>
TOTAL EQUITY			<u>705,299</u>		<u>526,825</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 February 2021 and were signed on its behalf by:

S Walker - Director

COMPANY BALANCE SHEET
31 March 2020

	Notes	31.3.20 £	£	31.3.19 £	£
FIXED ASSETS					
Intangible assets	9	-	-	-	-
Tangible assets	10	-	-	-	-
Investments	11	997,505		997,505	
Investment property	12	-	-	-	-
		<u>997,505</u>		<u>997,505</u>	
CURRENT ASSETS					
Debtors	14	1		18	
CREDITORS					
Amounts falling due within one year	16	<u>475,681</u>		<u>476,608</u>	
NET CURRENT LIABILITIES			<u>(475,680)</u>		<u>(476,590)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>521,825</u>		<u>520,915</u>
CAPITAL AND RESERVES					
Called up share capital	20		200		200
Capital redemption reserve	21		520,800		520,800
Retained earnings	21		825		(85)
SHAREHOLDERS' FUNDS			<u>521,825</u>		<u>520,915</u>
Company's profit for the financial year			<u>500,911</u>		<u>398,941</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 February 2021 and were signed on its behalf by:

S Walker - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2020

	Called up share capital £	Retained earnings £	Capital redemption reserve £
Balance at 1 April 2018	200	38,849	520,800
Changes in equity			
Dividends	-	(400,000)	-
Total comprehensive income	-	369,811	-
Balance at 31 March 2019	200	8,660	520,800
Changes in equity			
Dividends	-	(500,000)	-
Total comprehensive income	-	681,584	-
Balance at 31 March 2020	200	190,244	520,800
	Total £	Non-controlling interests £	Total equity £
Balance at 1 April 2018	559,849	(2,349)	557,500
Changes in equity			
Dividends	(400,000)	-	(400,000)
Total comprehensive income	369,811	(486)	369,325
Balance at 31 March 2019	529,660	(2,835)	526,825
Changes in equity			
Dividends	(500,000)	-	(500,000)
Total comprehensive income	681,584	(3,108)	678,476
Balance at 31 March 2020	711,244	(5,943)	705,301

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2020

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2018	200	974	520,800	521,974
Changes in equity				
Dividends	-	(400,000)	-	(400,000)
Total comprehensive income	-	398,941	-	398,941
Balance at 31 March 2019	200	(85)	520,800	520,915
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	500,911	-	500,911
Balance at 31 March 2020	200	826	520,800	521,826

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2020

	Notes	31.3.20 £	31.3.19 £
Cash flows from operating activities			
Cash generated from operations	1	817,890	768,371
Interest paid		(63)	(7)
Tax paid		(25,310)	(244,516)
Net cash from operating activities		<u>792,517</u>	<u>523,848</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(139,038)	(145,308)
Sale of tangible fixed assets		150	-
Sale of investment property		210,000	-
Interest received		4,576	3,496
Net cash from investing activities		<u>75,688</u>	<u>(141,812)</u>
Cash flows from financing activities			
Equity dividends paid		<u>(500,000)</u>	<u>(400,000)</u>
Net cash from financing activities		<u>(500,000)</u>	<u>(400,000)</u>
Increase/(decrease) in cash and cash equivalents		<u>368,205</u>	<u>(17,964)</u>
Cash and cash equivalents at beginning of year	2	121,833	139,797
Cash and cash equivalents at end of year	2	<u>490,038</u>	<u>121,833</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2020

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.20	31.3.19
	£	£
Profit before taxation	842,010	463,004
Depreciation charges	194,937	175,474
Profit on disposal of fixed assets	(22,743)	-
Decrease in listed investments	35,517	32,635
Finance costs	63	7
Finance income	(4,576)	(3,496)
	<u>1,045,208</u>	<u>667,624</u>
Increase in stocks	(7,693)	(395)
Decrease/(increase) in trade and other debtors	334,850	(310,728)
(Decrease)/increase in trade and other creditors	(554,475)	411,870
Cash generated from operations	<u><u>817,890</u></u>	<u><u>768,371</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	<u>490,038</u>	<u>121,833</u>

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	<u>121,833</u>	<u>139,797</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.19	Cash flow	At 31.3.20
	£	£	£
Net cash			
Cash at bank and in hand	<u>121,833</u>	<u>368,205</u>	<u>490,038</u>
	<u>121,833</u>	<u>368,205</u>	<u>490,038</u>
Liquid resources			
Current asset investments	<u>110,213</u>	<u>(35,517)</u>	<u>74,696</u>
	<u>110,213</u>	<u>(35,517)</u>	<u>74,696</u>
Total	<u><u>232,046</u></u>	<u><u>332,688</u></u>	<u><u>564,734</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 March 2020**

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group 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 total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Significant judgements and estimates

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.

Critical accounting judgements and key sources of estimation uncertainty

Depreciation - management uses judgement to estimate the useful lives and residual value of depreciating tangible fixed assets.

Deferred tax - management uses judgement in concluding whether any possible deferred tax asset should be recognised.

Turnover

In respect of contracts for on-going services, turnover represents the apportioned contract value over the timeframe of the contract. Other incidental work is recognised evenly over the duration of the work completed.

There is also peripheral turnover that represents the profit/loss from the trading of shares and unrealised profits/losses from the movement in valuation of the shares retained.

Goodwill on consolidation

The goodwill on consolidation relates to the acquisition of subsidiaries in 2005 and 2010.

The goodwill is being amortised over 20 years on a straight line basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 66.6% on cost, 25% on reducing balance and Straight line over 3 years
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- Straight line over 4 years
Computer equipment	- 50% on cost

The directors deem that plant and machinery are disposed of after 5 years and so at the end of this period, a disposal is included to remove the accumulated cost and depreciation from the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

2. ACCOUNTING POLICIES - continued

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are consumables and are therefore held at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the relevant instrument, and derecognised when it ceases to be a party to such provisions.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of total comprehensive income are recognised immediately in profit or loss.

Financial assets

The Company classifies its financial assets into the categories, discussed below, due to the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade debtors), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value, including transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost.

The Company's loans and receivables consist of trade and other debtors and prepayments included within the balance sheet. Cash and bank balances include cash held at bank and cash on hand.

Impairment provisions are recognised when there is objective evidence, for example, significant financial difficulties on the part of the counterparty, or default, or significant delay in payment, that the Company will be unable to collect all of the amounts due under the terms of the receivable. The amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For certain categories of financial asset, such as trade debtors, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables includes the Company's past experience of collecting payments.

For trade debtors which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of total comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity; ordinary shares issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Borrowings are initially recognised at fair value net of any directly attributable transaction costs. These interest-bearing liabilities are subsequently measured at amortised cost using the effective interest method, with the interest expense charged at a constant rate on the outstanding liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

2. ACCOUNTING POLICIES - continued**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Cash flow statement

The cash flow statement has been prepared on the indirect method.

Investments

Listed investments' gains and losses arising from the changes in fair value are recognised directly in the statement of profit or loss.

3. EMPLOYEES AND DIRECTORS

	31.3.20	31.3.19
	£	£
Wages and salaries	12,455,000	10,704,106
Social security costs	420,854	349,624
Other pension costs	404,942	364,950
	<u>13,280,796</u>	<u>11,418,680</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

3. EMPLOYEES AND DIRECTORS - continued

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

	31.3.20	31.3.19
Head office	49	48
Site staff	<u>1,426</u>	<u>1,299</u>
	<u>1,475</u>	<u>1,347</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 1,475 (2019 - 1,347) .

	31.3.20	31.3.19
	£	£
Directors' remuneration	277,174	256,896
Directors' pension contributions to money purchase schemes	<u>161,595</u>	<u>156,763</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>6</u>	<u>6</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	31.3.20	31.3.19
	£	£
Emoluments etc	56,188	53,825
Pension contributions to money purchase schemes	<u>40,000</u>	<u>40,000</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.3.20	31.3.19
	£	£
Hire of plant and machinery	9,168	5,621
Other operating leases	73,542	80,374
Depreciation - owned assets	162,075	142,612
Profit on disposal of fixed assets	(22,743)	-
Goodwill amortisation	32,862	32,862
Auditors' remuneration	<u>21,215</u>	<u>24,600</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.20	31.3.19
	£	£
Bank interest	<u>63</u>	<u>7</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

6. TAXATION**Analysis of the tax charge**

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

	31.3.20 £	31.3.19 £
Current tax:		
UK corporation tax	173,100	92,314
Deferred tax	(9,566)	1,365
Tax on profit	<u>163,534</u>	<u>93,679</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.20 £	31.3.19 £
Profit before tax	<u>842,010</u>	<u>463,004</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	159,982	87,971
Effects of:		
Expenses not deductible for tax purposes	9,841	(442)
Depreciation in excess of capital allowances	3,138	4,785
Deferred tax liability movement	(9,566)	1,365
Loss brought forward surrendered to group	(66)	-
Capital gains	4,498	-
Profit on sale of investment property	(4,293)	-
Total tax charge	<u>163,534</u>	<u>93,679</u>

7. INDIVIDUAL INCOME STATEMENT

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

8. DIVIDENDS

	31.3.20 £	31.3.19 £
A Ordinary Shares shares of £0.01 each		
Interim	<u>500,000</u>	<u>400,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

9. INTANGIBLE FIXED ASSETS**Group**

Goodwill
£

COST

At 1 April 2019
and 31 March 2020

657,235

AMORTISATION

At 1 April 2019
Amortisation for year
At 31 March 2020

484,711

32,862

517,573

NET BOOK VALUE

At 31 March 2020
At 31 March 2019

139,662

172,524

10. TANGIBLE FIXED ASSETS**Group**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2019	935,745	27,834	159,852	134,853	1,258,284
Additions	86,922	4,583	30,325	17,208	139,038
Disposals	(53,999)	-	(11,590)	-	(65,589)
At 31 March 2020	<u>968,668</u>	<u>32,417</u>	<u>178,587</u>	<u>152,061</u>	<u>1,331,733</u>
DEPRECIATION					
At 1 April 2019	792,449	10,262	109,369	116,125	1,028,205
Charge for year	114,049	5,883	28,236	13,907	162,075
Eliminated on disposal	(53,999)	-	(11,590)	-	(65,589)
At 31 March 2020	<u>852,499</u>	<u>16,145</u>	<u>126,015</u>	<u>130,032</u>	<u>1,124,691</u>
NET BOOK VALUE					
At 31 March 2020	<u>116,169</u>	<u>16,272</u>	<u>52,572</u>	<u>22,029</u>	<u>207,042</u>
At 31 March 2019	<u>143,296</u>	<u>17,572</u>	<u>50,483</u>	<u>18,728</u>	<u>230,079</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

11. FIXED ASSET INVESTMENTS**Company**

Shares in
group
undertakings
£

COST

At 1 April 2019
and 31 March 2020

997,505

NET BOOK VALUE

At 31 March 2020
At 31 March 2019

997,505

997,505

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**Hayward Services Limited**

Registered office: United Kingdom

Nature of business: Office cleaning services

	%		
Class of shares:	holding		
Ordinary	100.00	31.3.20	31.3.19
		£	£
Aggregate capital and reserves		1,100,148	858,248
Profit for the year		<u>844,655</u>	<u>450,107</u>

Yoda Investments Ltd

Registered office: United Kingdom

Nature of business: Investment company

	%		
Class of shares:	holding		
Ordinary	90.00	31.3.20	31.3.19
		£	£
Aggregate capital and reserves		(58,529)	(27,448)
Loss for the year		<u>(31,081)</u>	<u>(4,861)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

12. INVESTMENT PROPERTY**Group**

	Total £
FAIR VALUE	
At 1 April 2019	197,457
Disposals	<u>(197,457)</u>
At 31 March 2020	<u>-</u>
DEPRECIATION	
At 1 April 2019	10,050
Eliminated on disposal	<u>(10,050)</u>
At 31 March 2020	<u>-</u>
NET BOOK VALUE	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>187,407</u>

The investment property was sold in May 2019.

13. STOCKS

	Group	
	31.3.20	31.3.19
	£	£
Stocks	<u>72,606</u>	<u>64,913</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Trade debtors	2,016,008	2,348,060	-	-
Other debtors	29,496	28,937	1	-
VAT	-	-	-	18
Prepayments	<u>202,679</u>	<u>206,038</u>	<u>-</u>	<u>-</u>
	<u>2,248,183</u>	<u>2,583,035</u>	<u>1</u>	<u>18</u>

15. CURRENT ASSET INVESTMENTS

	Group	
	31.3.20	31.3.19
	£	£
Listed investments	<u>74,696</u>	<u>110,213</u>

Market value of listed investments held by the group at 31 March 2020 - £74,696 (2019 - £110,213).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Trade creditors	234,493	278,029	-	-
Amounts owed to group undertakings	-	-	473,681	473,608
Tax	173,588	25,798	-	-
Social security and other taxes	185,155	184,556	-	-
VAT	635,558	456,726	-	-
Accruals and deferred income	1,270,725	1,958,595	-	-
Accrued expenses	3,500	6,000	2,000	3,000
	<u>2,503,019</u>	<u>2,909,704</u>	<u>475,681</u>	<u>476,608</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	31.3.20	31.3.19
	£	£
Within one year	156,801	192,785
Between one and five years	295,024	66,709
In more than five years	<u>150,643</u>	<u>220,170</u>
	<u>602,468</u>	<u>479,664</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	31.3.20	31.3.19
	£	£
Guarantee bonds	<u>212,900</u>	<u>877,935</u>

Hayward Services Limited has guarantees in place with HSBC to cover liabilities relating to the pension schemes in place with TUPEd employees.

19. PROVISIONS FOR LIABILITIES

	Group	
	31.3.20	31.3.19
	£	£
Deferred tax	<u>23,909</u>	<u>33,475</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

19. PROVISIONS FOR LIABILITIES - continued**Group**

	Deferred tax £	Dilapidation £
Balance at 1 April 2019	33,475	-
Provided during year	<u>(9,566)</u>	<u>-</u>
Balance at 31 March 2020	<u><u>23,909</u></u>	<u><u>-</u></u>

The deferred tax is in respect of accelerated capital allowances.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £	31.3.20 £	31.3.19 £
20,000	A Ordinary Shares	£0.01	<u>200</u>	<u>200</u>

A Ordinary shares carry full and equal rights to participate in voting in all circumstances, in dividends and in capital contributions, whether on a winding up or otherwise.

21. RESERVES**Group**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2019	8,660	520,800	529,460
Profit for the year	681,584		681,584
Dividends	<u>(500,000)</u>		<u>(500,000)</u>
At 31 March 2020	<u><u>190,244</u></u>	<u><u>520,800</u></u>	<u><u>711,044</u></u>

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2019	(86)	520,800	520,714
Profit for the year	500,911		500,911
Dividends	<u>(500,000)</u>		<u>(500,000)</u>
At 31 March 2020	<u><u>825</u></u>	<u><u>520,800</u></u>	<u><u>521,625</u></u>

22. NON-CONTROLLING INTERESTS

There is a non-controlling interest in the company's subsidiary, Yoda Investments Limited, amounting to 10% of the equity in that subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2020

23. PENSION COMMITMENTS

Pensions are paid one month in arrears and therefore at the year end there were outstanding pension contributions relating to March 2020 included in other creditors of £36,656.83 (2019: £25,898), of which £13,247 (2019: £13,247) relates to directors' pension contributions.

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.