

Company Registration No. 00268552 (England and Wales)

STRETTONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

STRETTONS LIMITED

COMPANY INFORMATION

Directors	S E D Tilsiter C J M Collins M R Iliffe M R Bolton N A Matthews G M Mariner A Lattimer J P Cuthbert G P Powis P Costa
Secretary	S E D Tilsiter
Company number	00268552
Registered office	11 Kirkdale Road Leytonstone London E11 1HP
Auditor	Goodman Jones LLP 29-30 Fitzroy Square London W1T 6LQ
Business address	Waltham House 11 Kirkdale Road Leytonstone London E11 1HP
Bankers	National Westminster Bank Plc

STRETTONS LIMITED

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STRETTONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The directors present the strategic report for the year ended 30 April 2021.

Fair review of the business

Our strength remains in the broad base of our clients, the range of work that we do and the geographical locations where we are active; the Eastern sector of the M25 remains our heartland but we are very active in the City where we have been growing our team. We manage and sell auction property across England and Wales. We have continued to develop our staff and the substantial expenditure on IT in the past few years is being maintained.

Covid 19 impacted the Company throughout its financial year, with reduced turnover in this period. Despite Covid, 2020/21 delivered a good level income and financial returns, outlining the robust nature of our cashflow. Covid resulted in a small number of staff being furloughed, with the majority of staff working from home throughout the year. Our IT held up well as did our Covid planning, demonstrating our resilience. We made use of the Furlough scheme and secured a CBIL loan which with careful planning, cash modelling, and forecasting have enabled the Company to address the challenges of lockdown and the economic fallout that has started to result, without use of the CBIL facility to date. Our reimagining process has ensured that costs have been cut, departments restructured and various initiatives progressed: strategic partnerships with 3rd parties, an enhanced social media presence with regular press coverage, UK leading remote bidding auction success as some examples, to ensure we have rightsized the business to meet the new business challenges we are facing. We expect with national Covid restrictions being lifted that turnover will once again begin to grow in line with previous periods. The Directors expect and plan to increase market share and improve trading thereafter.

Key performance indicators

Our key performance indicators are:

Turnover which has decreased by 7.93% from £10,614,525 to £9,772,550.

Staff costs which have decreased by 3.48% from £8,103,626 to £7,821,458.

Debtor days which have increased from 41 days to 48 days.

Net profit before tax which has increased from £25,218 to £26,820.

On behalf of the board

S E D Tilsiter

Director

2 November 2021

STRETTONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

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

Principal activities

The principal activity of the company continues to be that of Chartered Surveyors, Auctioneers, Property Managers and Estate Agents.

Directors

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

B Tobin	(Resigned 30 April 2021)
P J Waterfield	(Resigned 30 April 2021)
S E D Tilsiter	
C J M Collins	
M R Iliffe	
M R Bolton	
N A Matthews	
G M Mariner	
A Lattimer	
J P Cuthbert	
G P Powis	
P Costa	

Results and dividends

The results for the year are set out on page 7.

A dividend of £24,000 was paid during the year.

Auditor

The auditor, Goodman Jones LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STRETTONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Statement of disclosure to auditor

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

On behalf of the board

S E D Tilsiter

Director

2 November 2021

STRETTONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRETTONS LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

STRETTONS LIMITED

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

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 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, 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 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.

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.

STRETTONS LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF STRETTONS LIMITED**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, 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 preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Martin Bailey (Senior Statutory Auditor)
For and on behalf of Goodman Jones LLP

9 November 2021

Chartered Accountants
Statutory Auditor

29-30 Fitzroy Square
London
W1T 6LQ

STRETTONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	2020 £
Turnover	3	9,772,549	10,614,525
Administrative expenses		(10,258,064)	(10,705,250)
Other operating income		549,946	85,676
Operating profit/(loss)	8	64,431	(5,049)
Interest receivable and similar income	6	7,201	30,267
Interest payable and similar expenses	7	(44,812)	-
Profit before taxation		26,820	25,218
Tax on profit	9	17,717	(14,898)
Profit for the financial year		44,537	10,320

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

STRETTONS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Goodwill	11		25,000		50,000
Tangible assets	13		228,358		336,825
Investments	12		51		51
			<u>253,409</u>		<u>386,876</u>
Current assets					
Debtors	16	2,042,389		1,926,827	
Cash at bank and in hand		<u>4,320,764</u>		<u>1,500,291</u>	
		6,363,153		3,427,118	
Creditors: amounts falling due within one year	17	<u>(3,971,788)</u>		<u>(3,009,540)</u>	
Net current assets			<u>2,391,365</u>		<u>417,578</u>
Total assets less current liabilities			<u>2,644,774</u>		<u>804,454</u>
Creditors: amounts falling due after more than one year	18		(1,837,500)		-
Provisions for liabilities					
Deferred tax liability	19	<u>30,692</u>		<u>48,409</u>	
			<u>(30,692)</u>		<u>(48,409)</u>
Net assets			<u><u>776,582</u></u>		<u><u>756,045</u></u>
Capital and reserves					
Called up share capital	21		32,893		32,893
Profit and loss reserves			<u>743,689</u>		<u>723,152</u>
Total equity			<u><u>776,582</u></u>		<u><u>756,045</u></u>

The financial statements were approved by the board of directors and authorised for issue on 9 November 2021 and are signed on its behalf by:

S E D Tilsiter
Director

N A Matthews
Director

Company Registration No. 00268552

STRETTONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2021

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 May 2019	32,893	735,832	768,725
Year ended 30 April 2020:			
Profit and total comprehensive income for the year	-	10,320	10,320
Dividends	10	(23,000)	(23,000)
Balance at 30 April 2020	32,893	723,152	756,045
Year ended 30 April 2021:			
Profit and total comprehensive income for the year	-	44,537	44,537
Dividends	10	(24,000)	(24,000)
Balance at 30 April 2021	32,893	743,689	776,582

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

Company information

Strettons Limited is a private company limited by shares incorporated in England and Wales. The registered office is Waltham House, 11 Kirkdale Road, Leytonstone, London, E11 1HP.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Stretton Group Limited. These consolidated financial statements are available from its registered office, Waltham House, 11 Kirkdale Road, Leytonstone, London, E11 1HP.

1.2 Going concern and post balance sheet events

During the year, the company's operations were impacted by the Covid-19 pandemic.

The company has made use of various government initiatives put in place to help to mitigate the financial impact of Covid-19, including the furlough scheme and VAT payment holiday, and a CBILS support loan of £2.25m.

As a result of the above measures combined with various operational measures put in place by the directors, as noted in the Strategic Report, and with regular and ongoing forecasting and cash flow planning, the directors believe that there is no material uncertainty regarding the going concern status of the company. As a result, they continue to adopt the going concern basis of accounting in preparing the financial statements.

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.3 Turnover

Turnover represents amounts receivable for services supplied by the company net of VAT and trade discounts.

Revenue from the provision of professional services is recognised when the services are provided. Income is deferred where it relates to services to be provided in the next accounting period.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

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

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

Fixtures, fittings & equipment	20% - 33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

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

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

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

1.7 Impairment of fixed assets

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

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

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

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

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

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

The company operates a defined contribution pension scheme and part of the pension charge disclosed in Note 18 represents the amount payable by the company to the fund in respect of the year. The assets are held separately from those of the company in an independently administered fund. The remainder of the pension charge, as disclosed in Note 18, represents the amount paid into a directors' personal pension scheme.

1.14 Leases

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

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

During the year, the group received £505,134 (2020 - £85,676) under the government backed Coronavirus Job Retention Scheme (CJRS), following the outbreak of Covid-19 during the year. This amount has been recognised as other operating income.

1.16 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Strettons Group Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2 Judgements and key sources of estimation uncertainty

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

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

Acquired goodwill is stated at cost less amortisation. Goodwill acquired during April 2018, which amounted to £100,000, has a useful life of 4 years in the opinion of the directors, and is amortised on a straight line basis over this period.

3 Turnover and other revenue

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

	2021	2020
	£	£
Turnover analysed by class of business		
Fees receivable	9,772,549	10,614,525
	<u>9,772,549</u>	<u>10,614,525</u>
	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	9,772,549	10,614,525
	<u>9,772,549</u>	<u>10,614,525</u>

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

3 Turnover and other revenue (Continued)

	2021	2020
	£	£
Other significant revenue		
Interest income	7,201	30,267
Grants received	549,946	85,676
	<u>557,147</u>	<u>115,943</u>

4 Employees

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

	2021	2020
	Number	Number
Sales	60	62
Administrative	63	67
	<u>123</u>	<u>129</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	6,715,574	7,071,847
Social security costs	785,844	820,659
Pension costs	334,529	363,479
	<u>7,835,947</u>	<u>8,255,985</u>

5 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	2,439,054	2,651,664
Company pension contributions to defined contribution schemes	190,592	259,633
	<u>2,629,646</u>	<u>2,911,297</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2020 - 7).

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

5 Directors' remuneration (Continued)

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

	2021	2020
	£	£
Remuneration for qualifying services	266,985	291,531
	<u>266,985</u>	<u>291,531</u>

6 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	7,201	30,195
Other interest income	-	72
	<u>7,201</u>	<u>30,267</u>
Total income	7,201	30,267
	<u>7,201</u>	<u>30,267</u>

7 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	44,812	-
	<u>44,812</u>	<u>-</u>

8 Operating profit/(loss)

	2021	2020
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(549,946)	(85,676)
Fees payable to the company's auditor for the audit of the company's financial statements	30,380	31,560
Depreciation of owned tangible fixed assets	160,338	129,034
Amortisation of intangible assets	25,000	25,000
Profit on disposal of intangible assets	(464)	-
Operating lease charges	437,305	450,217
	<u>437,305</u>	<u>450,217</u>

9 Taxation

	2021	2020
	£	£
Deferred tax		
Origination and reversal of timing differences	(17,717)	14,898
	<u>(17,717)</u>	<u>14,898</u>

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

9 Taxation

(Continued)

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

	2021 £	2020 £
Profit before taxation	26,820	25,218
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	5,096	4,791
Tax effect of expenses that are not deductible in determining taxable profit	6,445	10,766
Utilisation of tax losses	(27,956)	(4,339)
Unprovided deferred tax re pension creditor	(1,302)	(289)
Change in future tax rate	-	3,969
Taxation (credit)/charge for the year	(17,717)	14,898

10 Dividends

	2021 £	2020 £
Final paid	24,000	23,000

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 May 2020 and 30 April 2021	100,000
Amortisation and impairment	
At 1 May 2020	50,000
Amortisation charged for the year	25,000
At 30 April 2021	75,000
Carrying amount	
At 30 April 2021	25,000
At 30 April 2020	50,000

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

12 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	15	1	1
Investments in joint ventures	14	50	50
		<u>51</u>	<u>51</u>

13 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 May 2020	591,482
Additions	51,956
Disposals	(95)
At 30 April 2021	<u>643,343</u>
Depreciation and impairment	
At 1 May 2020	254,657
Depreciation charged in the year	160,337
Eliminated in respect of disposals	(9)
At 30 April 2021	<u>414,985</u>
Carrying amount	
At 30 April 2021	<u>228,358</u>
At 30 April 2020	<u>336,825</u>

14 Joint ventures

Details of the company's joint ventures at 30 April 2021 are as follows:

Name of undertaking	Interest held	% Held Direct
Site Sales Strettons Limited	Ordinary	50

Registered office addresses (all UK unless otherwise indicated):

Haslers, Old station Road, Loughton, Essex, United Kingdom, IG10 4PL

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

15 Subsidiaries

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

Name of undertaking	Class of shares held	% Held Direct
Strettons Frankis Porter Limited	Ordinary	100

Registered office addresses (all UK unless otherwise indicated):

Waltham House 11 Kirkdale Road, Leytonstone, London, United Kingdom, E11 1HP

16 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,288,855	1,198,615
Amounts owed by group undertakings	186	224
Other debtors	8,730	30,925
Prepayments and accrued income	744,618	697,063
	<u>2,042,389</u>	<u>1,926,827</u>

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Notes		
Bank loans	412,500	-
Trade creditors	446,860	396,630
Amounts owed to group undertakings	1	1
Amounts owed to undertakings in which the company has a participating interest	50	50
Taxation and social security	871,799	780,887
Other creditors	12,457	20,012
Accruals and deferred income	2,228,121	1,811,960
	<u>3,971,788</u>	<u>3,009,540</u>

18 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Notes		
Bank loans and overdrafts	1,837,500	-
	<u>1,837,500</u>	<u>-</u>

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

18 Creditors: amounts falling due after more than one year **(Continued)**

During the year, the company was advanced a loan totalling £2,250,000 under the government backed Coronavirus Business Interruption Loan (CBIL) loan scheme. Interest and arrangement fees on this loan is paid by the government for the first 12 months, with an annual interest rate of 2.07% over the base rate. The directors consider the interest rate on this loan to be at a market rate and as such have not recognised the immaterial impact of discounting the loans to present value.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2021	2020
Balances:	£	£
Accelerated capital allowances	30,692	48,409
	<u> </u>	<u> </u>
		2021
Movements in the year:		£
Liability at 1 May 2020		48,409
Credit to profit or loss		(17,717)
		<u> </u>
Liability at 30 April 2021		30,692
		<u> </u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

20 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	334,529	363,479
	<u> </u>	<u> </u>

The company operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions include staff pension costs of £143,937 (2020: £103,846).

Total pension contributions outstanding at the balance sheet date were £3,139 (2020: £9,992).

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

21 Share capital

	2021	2020
	£	£
Ordinary share capital		
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u> </u>	<u> </u>
Issued and fully paid		
32,893 Ordinary shares of £1 each	32,893	32,893
	<u> </u>	<u> </u>

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	142,716	109,349
Between two and five years	160,512	171,074
	<u> </u>	<u> </u>
	303,228	280,423
	<u> </u>	<u> </u>

23 Directors' transactions

At the balance sheet date, the company was owed an amount of £9,318 (2020: £9,318) by Mountgrove Properties (No.2) Limited, a company partly owned by the director, B. Tobin.

The company occupied rented properties owned by The Strettons Pension Scheme. The properties are leased on normal commercial terms and during the year rent totalling £128,973 (2020: £137,500) was charged. At the balance sheet date, an amount of £Nil (2020: £41,250) was owed to the company by The Strettons Pension Scheme.

The company also manages, free of charge, properties owned by some of the directors and their families as well as properties owned by The Strettons Pension Scheme.

Strettons Limited manages properties owned by companies controlled by one or more of the directors. During the year, sales to such companies totalled £3,155 (2020: £3,752) and at the balance sheet date, an amount of £960 (2020: £960) was due to Strettons Limited.

At the balance sheet date, amounts due to the directors totalled £Nil (2020: £702) and are included within creditors falling due within one year.

24 Related party transactions

The company has taken advantage of the exemption available in FRS 102 para 33.1A "Related party disclosures", whereby it has not disclosed transaction with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

STRETTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

25 Ultimate controlling party

The company is controlled by the directors of Strettons Group Limited, the parent company incorporated in England and Wales.

