

REGISTERED NUMBER: 10045901 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
TWENTY 1 GROUP HOLDINGS LTD**

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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TWENTY 1 GROUP HOLDINGS LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS: K Ashcroft
P Gaughan

REGISTERED OFFICE: Wellington House
273-275 High Street
London Colney
Hertfordshire
AL2 1HA

REGISTERED NUMBER: 10045901 (England and Wales)

AUDITORS: Newman Morris Ltd
Chartered Accountants
& Statutory Auditors
Wellington House
273-275 High Street
London Colney
Hertfordshire
AL2 1HA

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their strategic report of the company and the group for the year ended 31 December 2018.

Twenty 1 Group Holding Ltd is a dynamic business which has seen a substantial increase in market presence over the last few years. We specialise in the refurbishment and fitting out commercial office sectors for major blue chip customers operating across London and the South East.

We are the experts at transforming spaces. Across London and the South East, we are delivering difference - from the way we work, to the solutions we deliver. We are committed to doing things differently because we care about our industry and improving the way it works. We do not settle for the status quo when it comes to delivering outcomes for our clients and the same is true of the way we run our business.

The business has two succinct workstreams:

Refurbishment - We have over the past four years developed an enviable reputation in delivering complex and high quality refurbishment projects. Refurbishment represents 45% of our order book, there continues to be an increasing appetite from our clients to carry out more works of this nature.

Fit Out - We have experience in working within many types of building. Over the years, we have developed specialised expertise in occupied premises and time-led projects. We have built close relationships with skilled trade contractors to ensure the best-in-class supply chain. Commercial fit out represents 55% of our order book.

21 was founded on the principles of profitability and sustainable growth through the development of strong, lasting client relationships and the ability to attract and retain talented staff.

We pride ourselves on the high calibre and expertise of our team, and actively encourage creative engineering solutions that meet the complex needs of our customers.

Our success has been achieved through our relationships with our customers, consultants and supply-chain, managed by our excellent project management teams. We channel all our efforts into building strong relationships with 78% client or consultant repeat business.

It has proven to be an extremely encouraging year for Twenty 1 Group Holdings Ltd, delivering strong year on year growth, an increased turnover from continued operations, and achieving high pre-tax profit, whilst investing in a new delivery team and strengthening our support functions.

We have remained fully focused on the quality of service we provide our customers whilst enhancing our profile and reputation the commercial office market. We continue to work successfully with our existing customers and take great pride in the level of repeat business, whilst securing workload with new blue-chip customers.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

REVIEW OF BUSINESS

Twenty 1 Group Holdings Ltd demonstrated a very strong performance in 2018. The group has continued to build on its history of delivering strong year on year growth. Turnover in the year from continued operations increased by 19% to £46,782,178 (2017 - £39,175,711) generating pre-tax profits of £2,644,097 (2017 - £2,647,855)

The results in 2018 highlight our sustainable growth, profitability, and cash position.

Financial Highlights;

Turnover £46,782,178

Pre-tax profits £2,644,097

Gross margin 10%

Net Cash £6,662,775

Our forward order book continues to be robust with £ 54 million of our turnover secured for the 2019 year-end including a number continuing into 2020. This year's turnover forecast is to exceed £ 60 million.

We continue to invest in our teams along with improving our financial systems and processes, driving efficiency and improvement in our financial reporting, and quicker payments and support to our supply chain.

PRINCIPAL RISKS AND UNCERTAINTIES

Decline in economy

The construction industry may be affected by a decline in the economy. The group's strategy of diversification into new market sectors and customers has protected the group's financial position.

Financing

The group has strong liquidity and cash has increased throughout the year with the cash reserves at the end of the financial year of £6,662,775. The level of liquidity has further enhanced the operating capacity of the group. Furthermore, it should be noted that the Group has no long-term financing.

Loss of customers

The group's diversification into new sectors, proactive new business development in establishing new customer opportunities and continued focus on maintaining existing customer relationships have strengthened the group's market position against its competitors in a challenging business environment.

KEY PERFORMANCE INDICATORS

The Directors, who are the key management, use financial measures such as profitability, turnover and level of secured workload to monitor performance, as these are considered to be the main drivers of the Company's continued success. Turnover and profitability are measured on the same basis as that seen in the profit and loss account.

In addition, the Directors consider non-financial measures. These include ongoing monitoring of safety scores, which continue to improve, review of client satisfaction levels and staff satisfaction.

Focus on these measures ensures Twenty 1 Group Holdings Ltd delivers successful projects through the quality of its staff, its control processes and the support of its clients.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

CORPORATE SOCIAL RESPONSIBILITY

Twenty 1 has committed to our staff a 100% increase in time given to staff for charitable pursuits and in order to assist us in achieving goal of being a 'Responsible Business' we have enrolled onto the Heart of the City programme, which will support us in developing a responsible business programme that will help us have a positive impact on people, places and the planet.

During 2019 we will be developing activities around connecting with and supporting our local community, making sure our business practices are environmentally friendly and improving our workplace for employees.

Safety, health, environment & quality

At Twenty 1 Group Holdings Ltd, the protection of our colleagues, sub-contractors and the public are carefully considered throughout the project lifecycle. Our aim is to provide a working environment that is free from harm by promoting a clear and positive safety culture, ensuring the well-being of all parties involved with our work.

Equality & diversity

We provide an inclusive working environment based on the principle of equal opportunities, ensuring all applicants and colleagues are treated the same.

Training and development

This is fundamental to the continued growth of our colleagues within the business. This year we launched 21Academy to ensure that our people can develop the knowledge and skills they need to realise their own potential and thus help us to accomplish our business goals. To that end, there are a significant number of training programmes to develop industry recognized professional standards with our ultimate goal that this will become a 'Centre of Excellence' for the sector.

Sustainability

At the heart of Twenty 1 Group Holdings Ltd, we recognise the impact that we have on the environment and the long-term benefits of sustainable construction and always try to minimise our impact on our environment in which we live.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

FUTURE OUTLOOK

There are signs that margins are mixed across the whole construction industry however this we are seeing them static within our sectors. We see signs of this within our business and we forecast a profitable outcome for the current year.

Despite predictions of and economic downturn, we have not detected any discernible slowdown in business or enquiries since the vote to leave the European Union and now being so close to the deadline date. We forecast continued growth in turnover whilst remaining very selective on contract and client selection. We remain focused on our core operating sectors whilst selectively reviewing opportunities in new markets.

Through our continued dedication to the development of our people coupled with the implementation of our business plan objectives and innovative 'can do' culture, we remain fully committed to providing our valued customers with an exceptional level of service and delivery.

We have continued with our colleague retention and recruitment processes to ensure that Twenty 1 Group Holdings Ltd is an employer of choice for the most talented colleagues and candidates in the marketplace.

ON BEHALF OF THE BOARD:

P Gaughan - Director

8 April 2019

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of office interior refurbishment and refitting.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2018 will be £1,288,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

K Ashcroft
P Gaughan

FINANCIAL INSTRUMENTS

The company does not use derivative financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through robust credit control procedures. The nature of its financial instruments means that the price risk to which they are subjected is minimal. The Company carries out daily cash flow and working capital monitoring which together with regular cash flow forecasting ensure that it has adequate cash in order to make bank loan repayments and therefore to manage the liquidity risk to which it is exposed.

PAYMENT TO SUPPLIERS

It is the Company's policy to agree the terms of payment as part of the commercial arrangements negotiated with suppliers and to then pay according to those terms.

TAXATION POLICY

The company believes that it has a duty to shareholders to seek to minimise its tax burden, but to do so in a manner which is consistent with its commercial objectives and meets its legal obligations and ethical standards. Every effort is made to maximise the tax efficiency of business transactions and this includes taking advantage of available tax incentives and exemptions. However, the Company has regard for the intention of the legislation concerned rather than just the wording itself.

The company is committed to building open relationships with tax authorities and to following a policy of full disclosure in order to effect the timely settlement of its tax affairs and to remove uncertainty in its business transactions. Where appropriate, the Company enters into collaborative consultation with its Customer Relationship Management team appointed by the tax authorities.

The Company monitors and reviews this policy on a regular basis to ensure that it remains appropriate for the changing environment within which the Group operates.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018**

EMPLOYEES

It is the policy of the company to employ the most suitably qualified persons regardless of age, religion, gender, sexual orientation or ethnic origin or any other grounds not related to a person's ability to work safely and effectively for the company. The company encourages the employment and career development of disabled persons and the continued employment of employees who may be injured or disabled, in the course of their employment.

The Company recognises the importance of ensuring that relevant business information is provided to employees. This is achieved through the regular operation of a communication programme. The Company operates a number of performance related pay schemes for staff.

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 DECEMBER 2018**

AUDITORS

The auditors, Newman Morris Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

P Gaughan - Director

8 April 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TWENTY 1 GROUP HOLDINGS LTD

Opinion

We have audited the financial statements of Twenty 1 Group Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 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 December 2018 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 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, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TWENTY 1 GROUP HOLDINGS LTD

Opinion 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.

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 seven, 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TWENTY 1 GROUP HOLDINGS LTD**

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.

David Harris (Senior Statutory Auditor)
for and on behalf of Newman Morris Ltd
Chartered Accountants
& Statutory Auditors
Wellington House
273-275 High Street
London Colney
Hertfordshire
AL2 1HA

8 April 2019

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
TURNOVER		46,782,178	39,175,711
Cost of sales		<u>(42,038,065)</u>	<u>(34,898,563)</u>
GROSS PROFIT		4,744,113	4,277,148
Administrative expenses		<u>(2,108,068)</u>	<u>(1,638,195)</u>
OPERATING PROFIT	4	2,636,045	2,638,953
Interest receivable and similar income		<u>10,267</u>	<u>8,902</u>
		2,646,312	2,647,855
Interest payable and similar expenses	6	<u>(2,215)</u>	<u>-</u>
PROFIT BEFORE TAXATION		2,644,097	2,647,855
Tax on profit	7	<u>(168,345)</u>	<u>(485,716)</u>
PROFIT FOR THE FINANCIAL YEAR		2,475,752	2,162,139
Profit attributable to: Owners of the parent		<u>2,475,752</u>	<u>2,162,139</u>

The notes form part of these financial statements

TWENTY 1 GROUP HOLDINGS LTD (REGISTERED NUMBER: 10045901)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
PROFIT FOR THE YEAR		2,475,752	2,162,139
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,475,752</u>	<u>2,162,139</u>
Total comprehensive income attributable to: Owners of the parent		<u>2,475,752</u>	<u>2,162,139</u>

The notes form part of these financial statements

TWENTY 1 GROUP HOLDINGS LTD (REGISTERED NUMBER: 10045901)

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	10	118,376	152,135
Investments	11	-	-
		<u>118,376</u>	<u>152,135</u>
CURRENT ASSETS			
Debtors	12	10,230,570	5,753,302
Cash at bank and in hand		6,662,775	8,126,636
		<u>16,893,345</u>	<u>13,879,938</u>
CREDITORS			
Amounts falling due within one year	13	(12,208,128)	(10,409,358)
NET CURRENT ASSETS		<u>4,685,217</u>	<u>3,470,580</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,803,593	3,622,715
PROVISIONS FOR LIABILITIES	15	(19,859)	(26,733)
NET ASSETS		<u>4,783,734</u>	<u>3,595,982</u>
CAPITAL AND RESERVES			
Called up share capital	16	200	200
Retained earnings	17	4,783,534	3,595,782
SHAREHOLDERS' FUNDS		<u>4,783,734</u>	<u>3,595,982</u>

The financial statements were approved by the Board of Directors on 8 April 2019 and were signed on its behalf by:

P Gaughan - Director

K Ashcroft - Director

The notes form part of these financial statements

TWENTY 1 GROUP HOLDINGS LTD (REGISTERED NUMBER: 10045901)

**COMPANY BALANCE SHEET
31 DECEMBER 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	10	-	-
Investments	11	<u>502</u>	<u>502</u>
		<u>502</u>	<u>502</u>
CURRENT ASSETS			
Cash at bank		3,898,634	3,139,368
CREDITORS			
Amounts falling due within one year	13	<u>(2,580,808)</u>	<u>(2,329,048)</u>
NET CURRENT ASSETS		<u>1,317,826</u>	<u>810,320</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,318,328</u>	<u>810,822</u>
CAPITAL AND RESERVES			
Called up share capital	16	200	200
Retained earnings		<u>1,318,128</u>	<u>810,622</u>
SHAREHOLDERS' FUNDS		<u>1,318,328</u>	<u>810,822</u>
Company's profit for the financial year		<u>1,795,506</u>	<u>1,294,931</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 8 April 2019 and were signed on its behalf by:

P Gaughan - Director

K Ashcroft - Director

The notes form part of these financial statements

TWENTY 1 GROUP HOLDINGS LTD (REGISTERED NUMBER: 10045901)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	200	2,721,643	2,721,843
Changes in equity			
Dividends	-	(1,288,000)	(1,288,000)
Total comprehensive income	-	2,162,139	2,162,139
Balance at 31 December 2017	<u>200</u>	<u>3,595,782</u>	<u>3,595,982</u>
Changes in equity			
Dividends	-	(1,288,000)	(1,288,000)
Total comprehensive income	-	2,475,752	2,475,752
Balance at 31 December 2018	<u>200</u>	<u>4,783,534</u>	<u>4,783,734</u>

The notes form part of these financial statements

TWENTY 1 GROUP HOLDINGS LTD (REGISTERED NUMBER: 10045901)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	200	803,691	803,891
Changes in equity			
Dividends	-	(1,288,000)	(1,288,000)
Total comprehensive income	-	1,294,931	1,294,931
Balance at 31 December 2017	<u>200</u>	<u>810,622</u>	<u>810,822</u>
Changes in equity			
Dividends	-	(1,288,000)	(1,288,000)
Total comprehensive income	-	1,795,506	1,795,506
Balance at 31 December 2018	<u>200</u>	<u>1,318,128</u>	<u>1,318,328</u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	461,058	3,245,211
Interest paid		(2,215)	-
Tax paid		(626,302)	(495,089)
Net cash from operating activities		<u>(167,459)</u>	<u>2,750,122</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(18,669)	(153,095)
Interest received		10,267	8,902
Net cash from investing activities		<u>(8,402)</u>	<u>(144,193)</u>
Cash flows from financing activities			
Equity dividends paid		(1,288,000)	(1,288,000)
Net cash from financing activities		<u>(1,288,000)</u>	<u>(1,288,000)</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,463,861)</u>	<u>1,317,929</u>
Cash and cash equivalents at beginning of year	2	8,126,636	6,808,707
Cash and cash equivalents at end of year	2	<u>6,662,775</u>	<u>8,126,636</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	2018	2017
	£	£
Profit before taxation	2,644,097	2,647,855
Depreciation charges	52,428	55,603
Loss on disposal of fixed assets	-	8,177
Finance costs	2,215	-
Finance income	(10,267)	(8,902)
	2,688,473	2,702,733
Increase in trade and other debtors	(4,477,270)	(1,450,040)
Increase in trade and other creditors	2,249,855	1,992,518
Cash generated from operations	<u>461,058</u>	<u>3,245,211</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 December 2018

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	<u>6,662,775</u>	<u>8,126,636</u>

Year ended 31 December 2017

	31/12/17	1/1/17
	£	£
Cash and cash equivalents	<u>8,126,636</u>	<u>6,808,707</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. STATUTORY INFORMATION

Twenty 1 Group Holdings Ltd 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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

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

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on cost

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.

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.

TWENTY 1 GROUP HOLDINGS LTD (REGISTERED NUMBER: 10045901)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	3,723,504	2,353,693
Social security costs	55,682	53,528
Other pension costs	164,837	116,124
	<u>3,944,023</u>	<u>2,523,345</u>

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

	2018	2017
Average number of employees	<u>48</u>	<u>34</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 48 (2017 - 34) .

	2018	2017
	£	£
Directors' remuneration	20,000	20,000
Directors' pension contributions to money purchase schemes	<u>100,000</u>	<u>100,000</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	52,428	55,603
Loss on disposal of fixed assets	<u>-</u>	<u>8,177</u>

5. AUDITORS' REMUNERATION

	2018	2017
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	9,950	9,950
Auditors' remuneration for non audit work	<u>13,105</u>	<u>12,949</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Other Similar Charges	<u>2,215</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. TAXATION

Analysis of the tax charge

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	515,885	470,591
Over provision in prior year	(340,668)	-
Total current tax	175,217	470,591
Deferred tax	(6,872)	15,125
Tax on profit	168,345	485,716

8. 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.

9. DIVIDENDS

	2018	2017
	£	£
Ordinary shares of £1.00 each		
Interim	1,288,000	1,288,000

TWENTY 1 GROUP HOLDINGS LTD (REGISTERED NUMBER: 10045901)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2018	23,089	89,636	119,013	231,738
Additions	-	750	17,919	18,669
At 31 December 2018	<u>23,089</u>	<u>90,386</u>	<u>136,932</u>	<u>250,407</u>
DEPRECIATION				
At 1 January 2018	4,618	21,794	53,191	79,603
Charge for year	4,618	16,977	30,833	52,428
At 31 December 2018	<u>9,236</u>	<u>38,771</u>	<u>84,024</u>	<u>132,031</u>
NET BOOK VALUE				
At 31 December 2018	<u>13,853</u>	<u>51,615</u>	<u>52,908</u>	<u>118,376</u>
At 31 December 2017	<u>18,471</u>	<u>67,842</u>	<u>65,822</u>	<u>152,135</u>

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2018 and 31 December 2018	<u>502</u>
NET BOOK VALUE	
At 31 December 2018	<u>502</u>
At 31 December 2017	<u>502</u>

TWENTY 1 GROUP HOLDINGS LTD (REGISTERED NUMBER: 10045901)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. FIXED ASSET INVESTMENTS - continued

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

Subsidiaries

21 Construction Ltd

Registered office:

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		2018	2017
		£	£
Aggregate capital and reserves		<u>100</u>	<u>100</u>

Twenty 1 Interiors Ltd

Registered office:

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		2018	2017
		£	£
Aggregate capital and reserves		<u>2</u>	<u>2</u>

Twenty 1 Construction Ltd

Registered office:

Nature of business: Office re-fit and refurbishment

	%		
Class of shares:	holding		
Ordinary	100.00		
		2018	2017
		£	£
Aggregate capital and reserves		3,485,265	2,811,892
Profit for the year		<u>2,461,373</u>	<u>2,170,333</u>

Twenty 1 Refurbishment Ltd

Registered office:

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		2018	2017
		£	£
Aggregate capital and reserves		<u>200</u>	<u>200</u>

TWENTY 1 GROUP HOLDINGS LTD (REGISTERED NUMBER: 10045901)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. DEBTORS

	Group	
	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	3,443,213	2,556,524
Amounts recoverable on contract	6,673,536	3,090,558
Other debtors	-	1,850
Prepayments and accrued income	61,881	52,430
	<u>10,178,630</u>	<u>5,701,362</u>
Amounts falling due after more than one year:		
Other debtors	<u>51,940</u>	<u>51,940</u>
Aggregate amounts	<u>10,230,570</u>	<u>5,753,302</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	
	2018	2017	2018
	£	£	£
Trade creditors	5,655,643	4,180,212	(1)
Amounts owed to group undertakings	-	-	2,577,821
Tax	49,321	500,406	2,686
Social security and other taxes	286,141	223,923	-
VAT	760,266	1,157,205	-
Other creditors	1,451	2,052	302
Accrued expenses	76,797	60,884	-
Amounts payable on contracts	5,378,509	4,284,676	-
	<u>12,208,128</u>	<u>10,409,358</u>	<u>2,580,808</u>

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

TWENTY 1 GROUP HOLDINGS LTD (REGISTERED NUMBER: 10045901)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

Group

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	137,850	137,850
Between one and five years	<u>275,700</u>	<u>413,550</u>
	<u>413,550</u>	<u>551,400</u>

15. PROVISIONS FOR LIABILITIES

	Group	
	2018	2017
	£	£
Deferred tax	<u>19,859</u>	<u>26,733</u>

Group

	Deferred tax £
Balance at 1 January 2018	26,733
Provided during year	<u>(6,874)</u>
Balance at 31 December 2018	<u>19,859</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
200	Ordinary	£1.00	<u>200</u>	<u>200</u>

17. RESERVES

Group

	Retained earnings £
At 1 January 2018	3,595,782
Profit for the year	2,475,752
Dividends	<u>(1,288,000)</u>
At 31 December 2018	<u>4,783,534</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

17. RESERVES - continued

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.