

Company Registration No. 06299941 (England and Wales)

CLEGG HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

CLEGG HOLDINGS LIMITED

COMPANY INFORMATION

Directors	K Anderson S M Giltrap S J Blackburn T S Richmond
Secretary	G J Russell
Company number	06299941
Registered office	Bishops House 42 High Pavement The Lace Market Nottingham NG1 1HN
Auditor	UHY Hacker Young 14 Park Row Nottingham NG1 6GR
Bankers	Lloyds Bank Plc 12-16 Lower Parliament Street Nottingham NG1 3DA
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

CLEGG HOLDINGS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 6
Independent auditor's report	7 - 10
Group statement of comprehensive income	11
Group balance sheet	12 - 13
Company balance sheet	14
Group statement of changes in equity	15
Company statement of changes in equity	16
Group statement of cash flows	17
Notes to the financial statements	18 - 36

CLEGG HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activity

The principal activity of the company is that of a parent company of a group of companies engaged in the construction industry.

Business Review

2020 saw a 6.84% decrease (2019: 17.7% increase) in turnover. Profit before tax decreased from £1,145,244 to £205,178.

Principal risks and uncertainties

The company and its subsidiary companies aim to minimise risks and uncertainties to the level of the market place in which it operates and achieve this through internal controls and review procedures.

The company and its subsidiary companies make sales and applications for payment on normal credit terms and manage related risks through its credit control procedures. The company does not hedge interest payments on any of its borrowings.

Covid 19

The board have considered the impact of Covid -19 on its operations and in forming their going concern assessment. Further detail regarding going concern is included within the accounting policies within the financial statements. Based on the Boards's going concern assessment, which included forecasts and consideration of a range of scenarios for a period of at least twelve months from the date of approval of the financial statements, the Directors have concluded that it continues to remain appropriate to prepare the financial statements on a going concern basis.

Key performance Indicators

The directors use a range of key performance indicators to evaluate the performance of the business. Of these, the level of sales and gross profit are the key factors. There was a slight decrease in gross profit margin compared with the prior year at 3.9% of sales (2019 - 4.4%).

Future developments

The group is anticipating 2021 trading to improve on 2020 levels as the Covid 19 restrictions are eased.

CLEGG HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Section 172 statement

As required by Section 172 of the Companies Act, a Director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard, amongst other matters, to:

- The likely consequences of any decision in the long term;
- The interest of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

The Company's engagement with its stakeholders and consideration of their respective interests is as follows:

Employees

The directors ensured all employees were aware of the objectives and results of the company through presentations and meetings. It has also been their focus to provide a positive work environment for all employees with opportunities for all to grow and achieve their potential.

Customer and suppliers

The group collaborates with a variety of customers and our success depends on having the resources and skills necessary to guarantee a superior service level and product quality. The group has a longstanding relationship with local and international suppliers ensuring conformance of quality, cost competitiveness and sourcing guarantee.

Community and environment

Clegg Holdings and its subsidiaries are important job contributors in our regions and invest in solutions to reduce our impact on the environment.

By order of the board

G J Russell

Secretary

15 September 2021

CLEGG HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Results and dividends

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £46,532 (2019 - £488,558). The directors do not recommend payment of a further dividend.

Directors

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

K Anderson
S M Giltrap
S J Blackburn
T S Richmond

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

In accordance with the company's articles, a resolution proposing that UHY Hacker Young be reappointed as auditor of the group will be put at a General Meeting.

Energy and carbon report

The UK Government's Streamline Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, this is the first time adoption of disclosures on energy and carbon. The table below represents Clegg Holdings energy use and associated greenhouse gas (GHG) emissions from electricity and fuel in the UK for the year ended 31 December 2020. The data covers the non-exempt subsidiaries only.

CLEGG HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<i>Energy consumption</i>		kWh
Aggregate of energy consumption in the year		1,244,749
<i>Emissions of CO2 equivalent</i>	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	28.00	
- Fuel consumed for owned transport	90.00	
		118.00
Scope 2 - indirect emissions		
- Electricity purchased		19.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company		159.00
Total gross emissions		296.00
<i>Intensity ratio</i>		
Tonnes CO2e per employee		2.68

Quantification and reporting methodology

We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). The 2020 UK Government GHG Conversion Factors for Company Reporting published by the UK Department for Environment Food & Rural Affairs (DEFRA) are used to convert energy use in our operations to emissions of CO2e. Carbon emission factors for purchased electricity calculated according to the 'location-based grid average' method. This reflects the average emission of the grid where the energy consumption occurs. Data sources include billing, invoices and the Group's internal systems. For the Cambridge and London offices, utilities are included in the rent, so benchmarking based on floor area against industry benchmarks has been used to provide estimated energy consumption at these sites. The Nottingham site is shared between all 3 companies so the energy use at this site is split evenly between them. For transport data where actual usage data (e.g. litres) was unavailable conversions were made using average fuel consumption factors to estimate the usage.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £m turnover, the recommended ratio for the sector.

CLEGG HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Measures taken to improve energy efficiency

We are committed to responsible energy management and will practice energy efficiency throughout our organisation, wherever it is cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We have implemented the policies below for the purpose of increasing the business energy efficiency in the relevant financial year;

- the group has installed LED lighting on floor 3 of one of the buildings.

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 group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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 auditor of the company 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 auditor of the company is aware of that information.

CLEGG HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

By order of the board

G J Russell
Secretary

15 September 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CLEGG HOLDINGS LIMITED**

Opinion

We have audited the financial statements of Clegg Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 group's and parent 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.

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

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.

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 strategic report and the directors' report.

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

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

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

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 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 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.

Based on our understanding of the Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Group, which were contrary to applicable laws and regulations including fraud, 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. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit.

Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation
- enquiries of management and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

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.

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

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.

Roger Merchant (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

16 September 2021

Chartered Accountants
Statutory Auditor

CLEGG HOLDINGS LIMITED**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020	2019
	Notes	£	£
Turnover	3	110,576,307	118,694,785
Cost of sales		(106,243,224)	(113,443,273)
Gross profit		4,333,083	5,251,512
Administrative expenses		(4,171,168)	(4,198,367)
Other operating income		66,869	66,920
Operating profit	4	228,784	1,120,065
Interest receivable and similar income		10,398	44,639
Interest payable and similar expenses	8	(34,004)	(19,460)
Profit before taxation		205,178	1,145,244
Tax on profit	9	150,894	(219,142)
Profit for the financial year	25	356,072	926,102

Profit for the financial year is all attributable to the owners of the parent company.

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

CLEGG HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Goodwill	11		360,591		576,591
Tangible assets	12		1,569,026		1,613,787
Investment properties	13		2,330,000		-
			<u>4,259,617</u>		<u>2,190,378</u>
Current assets					
Stocks	17	1,083,101		1,083,101	
Debtors	18	21,015,038		28,564,139	
Cash at bank and in hand		<u>7,837,500</u>		<u>4,838,653</u>	
		29,935,639		34,485,893	
Creditors: amounts falling due within one year	19	<u>(28,437,996)</u>		<u>(32,227,973)</u>	
Net current assets			<u>1,497,643</u>		<u>2,257,920</u>
Total assets less current liabilities			<u>5,757,260</u>		<u>4,448,298</u>
Creditors: amounts falling due after more than one year	20		(1,487,145)		(487,500)
Provisions for liabilities					
Deferred tax liability	22	<u>93,035</u>		<u>93,258</u>	
			<u>(93,035)</u>		<u>(93,258)</u>
Net assets			<u><u>4,177,080</u></u>		<u><u>3,867,540</u></u>
Capital and reserves					
Called up share capital	24		4,796		4,796
Share premium account	25		3,635		3,635
Capital redemption reserve	25		274		274
Own shares	25		(636,813)		(636,813)
Profit and loss reserves	25		<u>4,805,188</u>		<u>4,495,648</u>
Total equity			<u><u>4,177,080</u></u>		<u><u>3,867,540</u></u>

CLEGG HOLDINGS LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 15 September 2021 and are signed on its behalf by:

K Anderson
Director

CLEGG HOLDINGS LIMITED**COMPANY BALANCE SHEET****AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	14		9,351,541		8,594,719
Current assets					
Debtors	18	2,715,613		2,715,613	
Cash at bank and in hand		6,608		6,608	
		<u>2,722,221</u>		<u>2,722,221</u>	
Creditors: amounts falling due within one year	19	<u>(11,648,881)</u>		<u>(10,824,314)</u>	
Net current liabilities			<u>(8,926,660)</u>		<u>(8,102,093)</u>
Total assets less current liabilities			<u>424,881</u>		<u>492,626</u>
Capital and reserves					
Called up share capital	24		4,796		4,796
Share premium account	25		3,635		3,635
Capital redemption reserve	25		274		274
Own shares	25		(636,813)		(636,813)
Profit and loss reserves	25		1,052,989		1,120,734
Total equity			<u>424,881</u>		<u>492,626</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £21,213 (2019 - £455 loss).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 15 September 2021 and are signed on its behalf by:

K Anderson
Director

Company Registration No. 06299941

CLEGG HOLDINGS LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital	Share premium account	Capital redemption reserve	Own shares	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 January 2019	4,796	3,635	274	(293,724)	4,058,104	3,773,085
Year ended 31 December 2019:						
Profit and total comprehensive income for the year	-	-	-	-	926,102	926,102
Dividends	10	-	-	-	(488,558)	(488,558)
Own shares acquired	-	-	-	(343,089)	-	(343,089)
Balance at 31 December 2019	4,796	3,635	274	(636,813)	4,495,648	3,867,540
Year ended 31 December 2020:						
Profit and total comprehensive income for the year	-	-	-	-	356,072	356,072
Dividends	10	-	-	-	(46,532)	(46,532)
Balance at 31 December 2020	4,796	3,635	274	(636,813)	4,805,188	4,177,080

CLEGG HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital	Share premium account	Capital redemption reserve	Own shares	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 January 2019	4,796	3,635	274	(293,724)	1,609,747	1,324,728
Year ended 31 December 2019:						
Loss and total comprehensive income for the year	-	-	-	-	(455)	(455)
Dividends	10	-	-	-	(488,558)	(488,558)
Own shares acquired	-	-	-	(343,089)	-	(343,089)
Balance at 31 December 2019	4,796	3,635	274	(636,813)	1,120,734	492,626
Year ended 31 December 2020:						
Loss and total comprehensive income for the year	-	-	-	-	(21,213)	(21,213)
Dividends	10	-	-	-	(46,532)	(46,532)
Balance at 31 December 2020	4,796	3,635	274	(636,813)	1,052,989	424,881

CLEGG HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	31		2,833,885		(1,104,361)
Interest paid			(34,004)		(19,460)
Income taxes (paid)/refunded			(106,385)		244,160
			<u> </u>		<u> </u>
Net cash inflow/(outflow) from operating activities			2,693,496		(879,661)
Investing activities					
Purchase of subsidiary		(700,168)		-	
Purchase of tangible fixed assets		(42,277)		(147,371)	
Proceeds on disposal of tangible fixed assets				224,988	
Interest received		10,398		44,639	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from investing activities			(732,047)		122,256
Financing activities					
Purchase of treasury shares		-		(343,089)	
Repayment of borrowings		-		(34,700)	
Proceeds of new bank loans		1,158,930		-	
Repayment of bank loans		(75,000)		(75,000)	
Dividends paid to equity shareholders		(46,532)		(488,558)	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) financing activities			1,037,398		(941,347)
			<u> </u>		<u> </u>
Net increase/(decrease) in cash and cash equivalents			2,998,847		(1,698,752)
Cash and cash equivalents at beginning of year			4,838,653		6,537,405
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>7,837,500</u>		<u>4,838,653</u>

CLEGG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Clegg Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Bishops House, 42 High Pavement, The Lace Market, Nottingham, NG1 1HN.

The group consists of Clegg Holdings Limited and all of its subsidiaries.

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.

In preparing the separate financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow has been presented for the company;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Clegg Holdings Limited and all of its subsidiaries. The results of subsidiaries acquired are consolidated for the periods from the date on which control passed. Business combinations are accounted for under the purchase method.

On 4 September 2020, Clegg Holdings Limited acquired 100% of the ordinary share capital of Castlegate 608 Limited and indirectly acquired Kew Medical Limited for total consideration of £756,822. The full consideration was paid in cash. Included within the consolidated profit and loss is £1,831 representing the excess in fair value of the assets acquired over the consideration paid.

1.3 Going concern

The directors continue to closely monitor the cash position on current construction projects measured against project budgets and forecasts, which are also regularly reviewed as part of the monitoring of on - site project performance. Final account negotiations are also closely monitored and scrutinised on a regular basis along with working capital requirements.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources, taking into account the implications of Covid 19, to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

CLEGG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Turnover

Revenue comprises of the value of contracting work executed during the year plus the invoiced value of other sales. The value of contracted work is based on measured valuations, incorporating profit earned to the valuation date, taking into account cost to completion and any anticipated losses.

The amount by which recorded revenue on uncompleted contracts is in excess of payments on account is classified as amounts recoverable on contracts and separately disclosed in debtors.

Cash received on account of contracts is deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors.

Rental income is accounted for on a receivable basis under the terms of ongoing leases.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business 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 of 14 years.

1.6 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:

Freehold buildings	8 to 50 years
Plant and equipment	3 to 5 years
Fixtures and fittings	1 to 10 years
Computers	1 to 10 years
Motor vehicles	4 years

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 recognised in the profit and loss account.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.8 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

CLEGG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting period end date, the group 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).

1.10 Stocks

Properties held for sale are valued at lower of cost and net realisable value, less any impairment. Cost includes all direct costs of purchase.

1.11 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.

1.12 Financial instruments

The group 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.

Basic financial assets and liabilities

Basic financial assets and liabilities, which include debtors, creditors and cash and bank balances, are initially measured at transaction price. Financial assets or liabilities classified as receivable within one year are not amortised.

1.13 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. The group'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 tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.14 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.

CLEGG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.17 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.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

CLEGG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Long term contracts

The group uses the percentage-of-completion method in accounting for its construction contracts. Use of the percentage of completion method requires the Company to estimate the construction performed to date as a proportion of the total construction to be performed. The estimation of the revenue and profit recognition by reference to the stage of completion can involve considerable judgement around future margins. The percentage of completion is determined using stage valuations provided by third party chartered surveyors and therefore provides an independent reliable valuation.

The group reviews these estimates and assumptions as each contract progresses. To the extent that the amounts receivable on the contracts are different to the amounts recorded such differences will impact revenue and cost of sales in the period in which such determination is made.

3 Turnover and other revenue

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

	2020	2019
	£	£
Turnover analysed by class of business		
United Kingdom	110,576,307	118,694,785
	<u> </u>	<u> </u>
	2020	2019
	£	£
Other significant revenue		
Interest income	10,398	44,639
	<u> </u>	<u> </u>

CLEGG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	-	3,539
Depreciation of owned tangible fixed assets	87,038	87,978
Profit on disposal of tangible fixed assets	-	(2,991)
Amortisation of intangible assets	216,000	216,000
Release of negative goodwill	(1,831)	-
Operating lease charges	267,156	235,051
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	5,000	5,000
Audit of the financial statements of the company's subsidiaries	26,200	25,800
	<u> </u>	<u> </u>
	31,200	30,800
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	8,775	7,950
	<u> </u>	<u> </u>

6 Employees

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

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Building	78	75	-	-
Admin	39	35	5	5
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	117	110	5	5
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CLEGG HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020****6 Employees (Continued)**

Their aggregate remuneration comprised:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	6,123,582	5,949,174	-	-
Social security costs	812,842	726,579	-	-
Pension costs	437,652	406,446	-	-
	<u>7,374,076</u>	<u>7,082,199</u>	<u>-</u>	<u>-</u>

Included in wages is £147,474 (2019 - £nil) of income received relating to furlough grant income.

7 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	421,902	266,129
Company pension contributions to defined contribution schemes	39,308	38,181
	<u>461,210</u>	<u>304,310</u>

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

	2020	2019
	£	£
Remuneration for qualifying services	144,780	98,229
Company pension contributions to defined contribution schemes	13,217	13,024
	<u>157,997</u>	<u>111,253</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 3).

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	<u>34,004</u>	<u>19,460</u>

CLEGG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	(17,615)	272,375
Adjustments in respect of prior periods	(133,056)	(128,108)
	<u>(150,671)</u>	<u>144,267</u>
Deferred tax		
Origination and reversal of timing differences	(223)	74,875
	<u>(223)</u>	<u>74,875</u>
Total tax (credit)/charge	<u>(150,894)</u>	<u>219,142</u>

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:

	2020	2019
	£	£
Profit before taxation	205,178	1,145,244
	<u>205,178</u>	<u>1,145,244</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	38,984	217,596
Tax effect of expenses that are not deductible in determining taxable profit	9,374	6,846
Adjustments in respect of prior years	(128,421)	(128,108)
Effect of change in corporation tax rate	-	(7,464)
Depreciation on assets not qualifying for tax allowances	2,913	4,579
Research and development tax credit	(120,000)	-
Deferred tax adjustments in respect of prior years	-	91,000
Non-deductible amortisation of goodwill	45,979	41,040
Deferred tax not recognised	441	-
Other adjustments	(164)	(6,347)
	<u>(150,894)</u>	<u>219,142</u>
Taxation (credit)/charge	<u>(150,894)</u>	<u>219,142</u>

The prior year adjustments predominantly relates to corporation tax refunds on research and development claims.

CLEGG HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****10 Dividends**

	2020	2019
	£	£
Recognised as distributions to equity holders:		
Interim paid	46,532	488,558
	<u>46,532</u>	<u>488,558</u>

11 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2020 and 31 December 2020	3,002,591
	<u>3,002,591</u>
Amortisation and impairment	
At 1 January 2020	2,426,000
Amortisation charged for the year	216,000
	<u>2,642,000</u>
At 31 December 2020	2,642,000
	<u>2,642,000</u>
Carrying amount	
At 31 December 2020	360,591
	<u>360,591</u>
At 31 December 2019	576,591
	<u>576,591</u>

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

CLEGG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 1 January 2020	1,673,473	35,477	153,279	13,061	187,373	25,745	2,088,408
Additions	6,987	-	11,952	4,406	18,932	-	42,277
At 31 December 2020	1,680,460	35,477	165,231	17,467	206,305	25,745	2,130,685
Depreciation and impairment							
At 1 January 2020	251,037	35,477	60,845	7,184	101,306	18,772	474,621
Depreciation charged in the year	14,660	-	23,384	2,899	39,659	6,436	87,038
At 31 December 2020	265,697	35,477	84,229	10,083	140,965	25,208	561,659
Carrying amount							
At 31 December 2020	1,414,763	-	81,002	7,384	65,340	537	1,569,026
At 31 December 2019	1,422,436	-	92,434	5,877	86,067	6,973	1,613,787

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019.

CLEGG HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****12 Tangible fixed assets****(Continued)**

The freehold property was valued at £2,074,000 on an open market existing use basis on 17 September 2013 by NL3 Limited, construction and property consultants, and the revaluation was incorporated into the financial statements in line with the transitional provisions of FRS 102 and treated the valuation as deemed cost on transition to FRS 102 on 1 January 2014. Since the valuation date there have been significant additions and disposals, and on a like to like basis the freehold property would be valued at £1,680,460.

If the Land and buildings had not been included at the valuation, they would have been included under the historical cost convention as follows:

The carrying amounts would have been approximately £508,997 (2019 - £519,232), being cost £860,991 (2019 - £854,004) and depreciation £351,994 (2019 - £334,773).

13 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 31 December 2020	2,330,000	-

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 4 March 2020 by Colliers International Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The investment property is held by Kew Medical Limited and therefore was acquired by the group as part of the acquisition.

14 Fixed asset investments

		Group 2020 £	2019 £	Company 2020 £	2019 £
	Notes				
Investments in subsidiaries at cost less impairment	15	-	-	9,351,541	8,594,719

CLEGG HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****14 Fixed asset investments (Continued)**

Movements in fixed asset investments	Shares in group undertakings
Company	£
Cost or valuation	
At 1 January 2020	8,594,719
Additions	756,822
	<hr/>
At 31 December 2020	9,351,541
	<hr/>

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
Clegg Accommodation Solutions Limited	England and Wales	Ordinary	0	100.00
Clegg Construction Limited	England and Wales	Ordinary	0	100.00
Clegg EBT Limited	England and Wales	Ordinary	100.00	-
Clegg Food Projects Limited	England and Wales	Ordinary	0	100.00
Clegg Group Limited	England and Wales	Ordinary	0	100.00
Clegg Small Projects Limited	England and Wales	Ordinary	0	100.00
Clegg Special Projects Limited	England and Wales	Ordinary	0	100.00
D B Clegg Holdings Limited	England and Wales	Ordinary	100.00	-
J.W.Engineering Limited	England and Wales	Ordinary	0	100.00
Nottsview Limited	England and Wales	Ordinary	100.00	-
Notbrook Developments Limited	England and Wales	Ordinary	0	100.00
Kew Medical Limited	England and Wales	Ordinary	0	100.00
Castlegate 608 Limited	England and Wales	Ordinary	100.00	-

Registered office addresses (all UK unless otherwise indicated):

1 Bishops House, 42 High Pavement, The Lace Market, Nottingham, NG1 1HN

CLEGG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Financial instruments

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	15,189,797	19,449,402	n/a	n/a
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	29,066,850	32,200,642	n/a	n/a
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Financial asset debt instruments measured at amortised cost represents trade debtors, amounts owed by related parties, amounts owed by the shareholders and other debtors.

Financial liabilities measured at amortised cost represents bank loans, trade creditors, other creditors and accruals.

17 Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Properties held for sale	1,083,101	1,083,101	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18 Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	14,096,367	18,237,721	-	-
Gross amounts owed by contract customers	4,882,809	7,947,009	-	-
Amounts owed by group undertakings	-	-	2,715,613	2,715,613
Other debtors	2,016,745	2,367,032	-	-
Prepayments and accrued income	19,117	12,377	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	21,015,038	28,564,139	2,715,613	2,715,613
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Included within group trade debtors is an amount of £2,073,514 (2019 - £3,127,047) relating to retentions due over 1 year.

CLEGG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Creditors: amounts falling due within one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Bank loans	21	159,284	75,000	-	-
Trade creditors		24,625,924	29,651,627	-	-
Amounts owed to group undertakings		-	-	11,648,881	10,824,314
Corporation tax payable		89,137	227,207	-	-
Other taxation and social security		769,154	287,624	-	-
Other creditors		830,749	671,002	-	-
Accruals and deferred income		1,963,748	1,315,513	-	-
		<u>28,437,996</u>	<u>32,227,973</u>	<u>11,648,881</u>	<u>10,824,314</u>

20 Creditors: amounts falling due after more than one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	21	1,487,145	487,500	-	-

For details of securities over bank and other loans, see note 21.

21 Loans and overdrafts

		Group		Company	
		2020	2019	2020	2019
		£	£	£	£
Bank loans		<u>1,646,429</u>	<u>562,500</u>	<u>-</u>	<u>-</u>
Payable within one year		159,284	75,000	-	-
Payable after one year		<u>1,487,145</u>	<u>487,500</u>	<u>-</u>	<u>-</u>

The total amount of outstanding loans at the year end was £1,646,429 (2019 - £562,500). The full £1,646,429 (2019 - £562,500) of these loans is secured over properties held by the group. £487,500 (2019 - £562,500) is also secured by way of cross guarantees over the assets of Clegg Holdings Limited group of companies. There are two loans which attract interest at a rate of 2.25% (£487,500) and 3.2% (£1,158,929) above LIBOR. The loans are repayable in full by 2026 and 2025 respectively.

CLEGG HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020****22 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
Group		
Accelerated capital allowances	50,214	49,996
Revaluations	42,821	43,262
	<u>93,035</u>	<u>93,258</u>

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 January 2020	93,258	-
Credit to profit or loss	(223)	-
	<u>93,035</u>	<u>-</u>

The deferred tax liability set out above relating to accelerated capital allowances is expected to reverse within 12 months.

23 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>437,652</u>	<u>406,446</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. At the balance sheet, there are pension contributions due of £57,656 (2019 - £53,037).

CLEGG HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****24 Share capital**

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	4,796	4,796	4,796	4,796
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The ordinary shares have full voting, dividend and capital distribution rights and are not redeemable.

25 Reserves**Share premium**

Includes the premium on issue of equity shares, net of any issue costs.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

Own shares

The value of own shares represents the consideration paid by the Clegg Employee Benefit Trust (which is both sponsored by and ultimately controlled by Clegg Holdings Limited) to acquire shares of Clegg Holdings Limited. These shares are held by the Trust for the main purpose of fulfilling employee share options that have been granted under the rules of the Enterprise Management Incentive scheme.

In the prior year 393 shares were transferred for a total consideration of £343,089. Clegg Holdings Limited loaned £343,089 to facilitate the transaction.

Profit and loss reserves

Profit and loss account represents cumulative profit or losses, net of dividends paid and other adjustments.

CLEGG HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****26 Acquisition of a business**

On 4 September 2020 the group acquired the 100% of the allotted share capital of Castlegate 608 Limited and its subsidiary, Kew Medical Limited.

	Book Value	Adjustments	Fair Value
	£	£	£
Net assets acquired			
Investment property	2,330,000	-	2,330,000
Cash and cash equivalents	56,654	-	56,654
Trade and other payables	(1,501,222)	-	(1,501,222)
Tax liabilities	(126,779)	-	(126,779)
	<u>758,653</u>	<u>-</u>	<u>758,653</u>
Total identifiable net assets	<u>758,653</u>	<u>-</u>	<u>758,653</u>
Goodwill			(1,831)
Total consideration			<u>756,822</u>
The consideration was satisfied by:			£
Cash			<u>1,513,644</u>
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£
Turnover			69,102
Profit after tax			<u>24,777</u>

CLEGG HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020****27 Operating lease commitments****Lessee**

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	143,975	193,168	-	-
Between two and five years	175,777	199,991	-	-
	<u>319,752</u>	<u>393,159</u>	<u>-</u>	<u>-</u>

28 Related party transactions**Key Management Personnel**

Key Management personnel are deemed to be the directors of the group and the directors of the subsidiary companies. The total combined remuneration paid to key management personnel for the year was £1,113,695 (2019 - £928,946).

Companies under common control

Included within trade debtors in 2019 was £292,982 owed by Kew Medical Limited, which was indirectly acquired by the company during the year. K Anderson, S J Blackburn and S M Giltrap are mutual directors and therefore the company was deemed to be under common control in 2019.

Kew Medical Limited

On 4th September 2020, the company purchased 100% of the share capital in Castlegate 608 Limited.

Related Parties

The group has taken advantage of the exemption available under section 1AC.35 of FRS 102, from disclosing transactions entered into between two or more wholly-owned members of the group.

29 Directors' transactions

During the year T S Richmond, a director of Clegg Holdings Limited, carried out consultancy work for the group. Total fees charged amounted to £24,960 (2019 - £23,220). During the year directors of the company received dividends of £46,532 (2019 - £488,558).

Transaction with shareholders

Included within debtors are amounts due from shareholders totalling £30,000 (2019 - £155,000). £125,000 (2019: £Nil) was repaid in the current year.

CLEGG HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****30 Controlling party**

Clegg Holdings Limited is controlled by its directors, who are the principal shareholders.

31 Cash generated from/(absorbed by) group operations

	2020	2019
	£	£
Profit for the year after tax	356,072	926,102
Adjustments for:		
Taxation (credited)/charged	(150,894)	219,142
Finance costs	34,004	19,460
Investment income	(10,398)	(44,639)
Gain on disposal of tangible fixed assets	-	(2,991)
Amortisation and impairment of intangible assets	214,169	216,000
Depreciation and impairment of tangible fixed assets	87,038	87,978
Movements in working capital:		
Decrease/(increase) in debtors	6,662,777	(4,941,890)
(Decrease)/increase in creditors	(4,358,883)	2,416,477
Cash generated from/(absorbed by) operations	2,833,885	(1,104,361)

32 Analysis of changes in net funds – group

	1 January 2020	Cash flows	Acquisitions and disposals	31 December 2020
	£	£	£	£
Cash at bank and in hand	4,838,653	2,942,194	56,653	7,837,500
Borrowings excluding overdrafts	(562,500)	(1,083,929)	-	(1,646,429)
	<u>4,276,153</u>	<u>1,858,265</u>	<u>56,653</u>	<u>6,191,071</u>

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.