

GREENWICH SERVICE SOLUTIONS LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

DRAFT

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FOR THE YEAR ENDED 31 MARCH 2020

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COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020

DIRECTORS:

I Tasker
M Bakalovic
S A Brain
K T Scofford

SECRETARY:

S K Sandhu

REGISTERED OFFICE:

Room 102
Birchmere Business Site Eastern Way
Thamesmead
LONDON
SE28 8BF

REGISTERED NUMBER:

06778317 (England and Wales)

AUDITORS:

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

GREENWICH SERVICE SOLUTIONS LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

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

Greenwich Service Solutions Limited (GSS Limited) is a company limited by shares, whose ultimate parent is the Royal Borough of Greenwich, the activities of the company include:

- Education Catering
- Gateway Employment
- Building Cleaning Service
- ICT support service

REVIEW OF BUSINESS

This is the 11th full year of trading for GSS. Turnover reduced from £2.96m to £2.47m, with accumulated reserves of £0.78m.

This year represents the first year of the company's Transformation Implementation Business Plan following the decision by the Cabinet of the Royal Borough of Greenwich on 20th February 2019 to "Insource Fleet, Passenger and Facilities Management services but move away from the provision of Catering, Schools ICT and Building Cleaning services (except RBG Building Cleaning)" over a 3 year period, which was subsequently endorsed at the company's Board meeting of 28th February 2019. The reduction in turnover during the year reflects the commencement of the planned withdrawal from non-RBG contracts including catering and cleaning services.

PRINCIPAL RISKS AND UNCERTAINTIES

Notwithstanding the change in strategic direction, the principal activity of the company remains the Gateway Employment Agency and the main client is GS Plus Ltd which predominantly provides Teckal services to RBG. Credit risk is therefore low and trade is directly influenced by the parent. The national lockdown of schools and services as part of the response to the Covid-19 pandemic impacted on the company's services and performance at the end of 2019/20 and into 2020/21. Measures were taken to minimise the impact of this including directing agency services to assist RBG in their support of communities through GS Plus Ltd as clients. Where this was not possible agency staff were furloughed. As a result of these prompt actions company cashflow remains healthy supported by available reserves. We continue to work with GS Plus, RBG and schools to plan for the return to 'new normal' operations in the Autumn.

FORWARD LOOKING STATEMENT

At its meeting of 28th February 2019, the Board noted that the decision is likely to result in the winding up of the Company and is also likely to result in the continued generation of trading losses over the expected 3-year period of transition. Quarterly updates on the progress of the revised Implementation Business Plan, including updates of the financial forecasts covering the current and future year's position will continue to be submitted to the Board, to ensure that the company position remains solvent and that Directors are compliant with their legal duties as Directors under the Companies Act 2006 and otherwise.

ON BEHALF OF THE BOARD:

.....
M Bakalovic - Director

Date:

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020

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

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2020.

DIRECTORS

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

I Tasker
M Bakalovic
S A Brain

Other changes in directors holding office are as follows:

K T Scotford - appointed 20 May 2019

IMPACT OF COVID-19

The outbreak of COVID-19 which has taken place during the year ended 31 March 2020 has resulted in a pandemic causing extensive disruption across the globe. The UK Government enforced a lockdown from 23 March 2020. The company's activities, as with many businesses, have been impacted. The company's reserves, generated during the year ended 31 March 2020, the continued support from Royal Borough of Greenwich and Government support via the Coronavirus Job Retention Scheme were sufficient to enable the company to continue through lockdown until a period where trade has recommenced.

The company expects to continue to meet its operational needs, financial and regulatory obligations. The impact of COVID-19 is continuing to evolve at a fast pace, and therefore it is not practicable to quantify the potential financial impact on the company at the time of writing.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020

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 company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
M Bakalovic - Director

Date:

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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GREENWICH SERVICE SOLUTIONS LIMITED**

Opinion

We have audited the financial statements of Greenwich Service Solutions Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 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

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 company'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 Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GREENWICH SERVICE SOLUTIONS LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

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
GREENWICH SERVICE SOLUTIONS LIMITED**

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.

Ashley Phillips FCCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date:

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GREENWICH SERVICE SOLUTIONS LIMITED**STATEMENT OF PROFIT OR LOSS**
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	31.3.20 £	31.3.19 £
CONTINUING OPERATIONS			
Revenue		2,450,491	2,960,155
Cost of sales		<u>(2,317,176)</u>	<u>(2,776,076)</u>
GROSS PROFIT		133,315	184,079
Other operating income	3	9,439	-
Administrative expenses		(235,477)	(261,037)
Other operating expenses		<u>(140)</u>	<u>(220)</u>
OPERATING LOSS		(92,863)	(77,178)
Finance costs	5	-	(4,498)
Finance income	5	<u>3,782</u>	<u>5,495</u>
LOSS BEFORE INCOME TAX	6	(89,081)	(76,181)
Income tax	7	<u>(6,683)</u>	<u>17,981</u>
LOSS FOR THE YEAR		<u><u>(95,764)</u></u>	<u><u>(58,200)</u></u>

The notes form part of these financial statements

GREENWICH SERVICE SOLUTIONS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	31.3.20 £	31.3.19 £
LOSS FOR THE YEAR	(95,764)	(58,200)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
IAS19 (charge)/income	-	7,325
Pension liability transferred to RBG	-	100,743
Income tax relating to items that will not be reclassified to profit or loss	-	-
	<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	-	108,068
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(95,764)</u>	<u>49,868</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 MARCH 2020

	Notes	31.3.20 £	31.3.19 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	8	19,211	25,615
Right-of-use			
Deferred tax	16	-	6,683
		<u>19,211</u>	<u>32,298</u>
CURRENT ASSETS			
Inventories	9	5,468	10,900
Trade and other receivables	10	359,317	572,446
Tax receivable		4,809	-
Cash and cash equivalents	11	627,835	688,398
		<u>997,429</u>	<u>1,271,744</u>
TOTAL ASSETS		<u>1,016,640</u>	<u>1,304,042</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	12	100	100
Retained earnings	13	787,487	883,251
TOTAL EQUITY		<u>787,587</u>	<u>883,351</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	229,053	420,691
TOTAL LIABILITIES		<u>229,053</u>	<u>420,691</u>
TOTAL EQUITY AND LIABILITIES		<u>1,016,640</u>	<u>1,304,042</u>

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

.....
M Bakalovic - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2018	100	833,383	833,483
Changes in equity			
Total comprehensive income	-	49,868	49,868
Balance at 31 March 2019	<u>100</u>	<u>883,251</u>	<u>883,351</u>
Changes in equity			
Total comprehensive income	-	(95,764)	(95,764)
Balance at 31 March 2020	<u>100</u>	<u>787,487</u>	<u>787,587</u>

The notes form part of these financial statements

GREENWICH SERVICE SOLUTIONS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

		31.3.20 £	31.3.19 £
Cash flows from operating activities			
Cash generated from operations	1	(59,536)	(34,323)
Tax paid		(4,809)	(4,809)
Net cash from operating activities		<u>(64,345)</u>	<u>(39,132)</u>
Cash flows from investing activities			
Interest received		<u>3,782</u>	<u>3,682</u>
Net cash from investing activities		<u>3,782</u>	<u>3,682</u>
Decrease in cash and cash equivalents		<u>(60,563)</u>	<u>(35,450)</u>
Cash and cash equivalents at beginning of year	2	<u>688,398</u>	<u>723,848</u>
Cash and cash equivalents at end of year	2	<u><u>627,835</u></u>	<u><u>688,398</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	31.3.20	31.3.19
	£	£
Loss before income tax	(89,081)	(76,181)
Depreciation charges	6,404	8,538
Administration expenses on LGPS	-	55
Finance costs	-	4,498
Finance income	(3,782)	(5,495)
	<u>(86,459)</u>	<u>(68,585)</u>
Decrease/(increase) in inventories	5,432	(2,111)
Decrease/(increase) in trade and other receivables	213,129	(62,102)
(Decrease)/increase in trade and other payables	(191,638)	98,475
Cash generated from operations	<u><u>(59,536)</u></u>	<u><u>(34,323)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	<u>627,835</u>	<u>688,398</u>

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	<u>688,398</u>	<u>723,848</u>

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

1. STATUTORY INFORMATION

Greenwich Service Solutions Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The company meets its day to day working capital requirements largely through its own activities but also through financial and grant support from the Boroughs for which it operates facilities. The Directors expect this financial support to continue for the foreseeable future and therefore consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the withdrawal of its financial support by the local authority.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimation of bad debts is based on previous history and any known factors at the time the financial statements are approved, however due to the level of trade debtors this represents an area of significant estimation uncertainty.

A further key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of tangible fixed assets and the recoverability of tax trading losses along with any related deferred tax asset.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

2. **ACCOUNTING POLICIES - continued**

Revenue recognition

Income represents net sales of goods and services excluding value added tax.

Service concession arrangements

The Company has various Service Contracts with various schools within the Royal Borough of Greenwich for the provision of meals to these schools, to which it has lease and management service contracts. The contracts specify minimum standards for the services to be provided, with deductions from the service management fee payable being made if facilities are unavailable or performance is below the minimum standards.

Property, plant and equipment

The buildings and equipment at the schools are used by the Company as part of the overall contractual relationship with the school but the school maintains ultimate control of these assets. Accordingly the access which the Company has in the use of these assets, is to enable it to operate the school canteen, so that the Company can provide the service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the Company's Balance Sheet.

Property, plant and equipment

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

Plant and machinery	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES - continued

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**2. ACCOUNTING POLICIES - continued****Leases**

Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

Grant income

Monies advanced as grants and contributions are shown as liabilities on the Balance Sheet until outstanding conditions are satisfied. When conditions are satisfied, the grant or contribution is credited to the Income Statement.

Government grants

During the accounting period the company was in receipt of government grants in the form of the Coronavirus Job Retention Scheme. The grants are recognised in full as income in the period to which the associated grant claim relates. Accordingly grants recognised in the period to 31 March 2020 relate to claims for wages costs incurred up to 31 March 2020.

3. OTHER OPERATING INCOME

	31.3.20	31.3.19
	£	£
Government grants	9,439	-
	<u>9,439</u>	<u>-</u>

The outbreak of COVID-19 which has taken place during the year ended 31 March 2020 has resulted in a pandemic causing extensive disruption across the globe. The UK Government enforced a lockdown from 23 March 2020. The lockdown required the general public to only leave their homes if absolutely necessary to do so, schools were closed to children, other than those of key workers, and employees were requested to work from home if they could. Where employees could not work from home, employers were required to ensure that social distancing and other measures were in place. At the time of the lockdown there was little guidance on this matter.

Due to the nature of the business it was necessary furlough some members of the workforce and the Company accessed Government support via the Coronavirus Job Retention Scheme.

4. EMPLOYEES AND DIRECTORS

	31.3.20	31.3.19
	£	£
Wages and salaries	2,041,666	2,418,247
Social security costs	96,951	121,115
Other pension costs	26,364	24,208
	<u>2,164,981</u>	<u>2,563,570</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**4. EMPLOYEES AND DIRECTORS - continued**

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

	31.3.20	31.3.19
Weekly paid	142	147
Monthly paid	33	52
	<u>175</u>	<u>199</u>

	31.3.20	31.3.19
	£	£
Directors' remuneration	-	2,417
	<u>-</u>	<u>2,417</u>

5. NET FINANCE INCOME

	31.3.20	31.3.19
	£	£
Finance income:		
Deposit account interest	3,782	3,682
Interest income on pension scheme assets	-	1,813
	<u>3,782</u>	<u>5,495</u>
Finance costs:		
Interest on pension scheme liabilities	-	4,498
	<u>-</u>	<u>4,498</u>
Net finance income	<u>3,782</u>	<u>997</u>

6. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	31.3.20	31.3.19
	£	£
Cost of inventories recognised as expense	166,715	241,312
Leases	140	220
Depreciation - owned assets	6,404	8,538
Auditors remuneration	7,500	9,000
	<u>180,759</u>	<u>267,070</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**7. INCOME TAX****Analysis of tax expense/(income)**

	31.3.20	31.3.19
	£	£
Current tax:		
Taxation	-	(4,809)
Deferred taxation	6,683	(13,172)
Total tax expense/(income) in statement of profit or loss	<u>6,683</u>	<u>(17,981)</u>

Factors affecting the tax expense

The tax assessed for the year is higher (2019 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.20	31.3.19
	£	£
Loss before income tax	<u>(89,081)</u>	<u>(76,181)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(16,925)	(14,474)
Effects of:		
Expenses not allowable for tax purposes	179	1,201
IAS19 adjustment	-	521
Depreciation in excess of capital allowances	1,217	1,622
Deferred Tax	6,683	(13,172)
Reverse expenses not allowable for tax purposes in 2019	(1,201)	-
Losses available to carry forward	17,974	11,550
Reduction in bad debt provision	(1,244)	(5,229)
Tax expense/(income)	<u>6,683</u>	<u>(17,981)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

8. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 April 2019	805	53,795	54,600
Disposals	(805)	-	(805)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	-	53,795	53,795
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2019	805	28,180	28,985
Charge for year	-	6,404	6,404
Eliminated on disposal	(805)	-	(805)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	-	34,584	34,584
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2020	<hr/>	19,211	19,211
	<hr/>	<hr/>	<hr/>
At 31 March 2019	<hr/>	25,615	25,615
	<hr/>	<hr/>	<hr/>

9. INVENTORIES

	31.3.20	31.3.19
	£	£
Stocks	5,468	10,900
	<hr/>	<hr/>

10. TRADE AND OTHER RECEIVABLES

	31.3.20	31.3.19
	£	£
Current:		
Trade debtors	121,444	137,629
Amounts owed by group undertakings	106,034	101,097
Other debtors	25,839	30,354
Prepayments and accrued income	106,000	303,366
	<hr/>	<hr/>
	359,317	572,446
	<hr/>	<hr/>

11. CASH AND CASH EQUIVALENTS

	31.3.20	31.3.19
	£	£
Cash at bank and in hand	-	3,166
Bank accounts	627,835	685,232
	<hr/>	<hr/>
	627,835	688,398
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.20	31.3.19
			£	£
100	Ordinary	1	100	100
			<u> </u>	<u> </u>

13. RESERVES

			Retained earnings
			£
At 1 April 2019			883,251
Deficit for the year			<u>(95,764)</u>
At 31 March 2020			<u>787,487</u>

14. TRADE AND OTHER PAYABLES

		31.3.20	31.3.19
		£	£
Current:			
Trade creditors		12,262	43,226
Other taxes and PAYE taxes		24,562	34,937
Other creditors		7,141	8,478
Accrued expenses		69,722	187,888
VAT		115,366	146,162
		<u>229,053</u>	<u>420,691</u>

15. LEASING

Other leases

		31.3.20	31.3.19
		£	£
Short-term leases		140	220
		<u> </u>	<u> </u>

16. DEFERRED TAX

		31.3.20	31.3.19
		£	£
Balance at 1 April		(6,683)	6,489
Timing differences		6,683	<u>(13,172)</u>
Balance at 31 March		<u> </u>	<u>(6,683)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**17. EMPLOYEE BENEFIT OBLIGATIONS**

The Company previously operated a defined benefit scheme in the UK. During the previous year the defined benefit scheme was taken over by the Royal Borough of Greenwich and accordingly the deficit on the pension scheme is no longer a potential liability of the Company.

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	31.3.20	31.3.19
	£	£
Current service cost	-	-
Net interest from net defined benefit asset/liability	-	(1,183)
Past service cost	-	-
	<u>-</u>	<u>(1,183)</u>
Actual return on plan assets	-	5,681
	<u>-</u>	<u>5,681</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.3.20	31.3.19
	£	£
Opening defined benefit obligation	-	176,411
Interest cost	-	4,498
Actuarial losses/(gains)	-	(3,457)
Transfer to RBG	-	(177,452)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.3.20	31.3.19
	£	£
Opening fair value of scheme assets	-	71,083
Interest income	-	5,681
Administration expenses on scheme assets	-	(55)
Transfer to RBG	-	(76,709)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.3.20	31.3.19
	£	£
IAS19 (charge)/income	-	7,325
Transfer of liability to RBG	-	100,743
	<u>-</u>	<u>108,068</u>
	<u><u>-</u></u>	<u><u>108,068</u></u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.3.20	31.3.19
UK Equities	-	9%
Other Bonds	-	18%
Property	-	10%
Cash	-	1%
Unitised Insurance Policies	-	37%
UK & Overseas Unit Trusts	-	25%
		<u>100%</u>
		<u><u>100%</u></u>

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	31.3.20	31.3.19
Discount rate	-	2.40%
Future salary increases	-	3.90%
Future pension increases	-	2.40%
RPI increases	-	3.40%
CPI increases	-	2.40%

The charge to other comprehensive income can be broken down as follows:

	31.3.20	31.3.19
Return on plan assets excluding interest	-	3,868
Change in financial assumptions	-	(6,654)
Change in demographic assumptions	-	10,111
	<u>-</u>	<u>7,325</u>
Total	<u><u>-</u></u>	<u><u>7,325</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

18. RELATED PARTY DISCLOSURES

The company was charged £94,898 (2019: £122,368) by Greenwich Service Plus Limited, a company under common control, for management services. It also charged Greenwich Service Plus Limited £1,957,454 (2019: £2,096,161) during the same period and at the Statement of Financial Position date the amount due by the company was £61,774 (2019: £261,035).

The company charged £1,481 (2019: £nil) to the Royal Borough of Greenwich (including Schools), the ultimate controlling party, during the year. The balance due from the Royal Borough of Greenwich at the Statement of Financial Position date was £nil (2019: £1,961). The balance due to the Royal Borough of Greenwich at the Statement of Financial Position date was £110 (2019: £nil).

19. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Royal Borough of Greenwich by virtue of holding all the company shares.

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INCOME STATEMENT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2020

	31.3.20 £	31.3.19 £
REVENUE		
Sales	795,926	1,171,845
Agency Income	1,654,565	1,788,310
	<hr/> 2,450,491	<hr/> 2,960,155
COST OF SALES		
Opening stock	10,900	8,789
Materials	166,715	241,312
Wages	2,021,714	2,391,697
National insurance	96,951	120,970
Pensions	26,364	24,208
Closing stock	(5,468)	(10,900)
	<hr/> 2,317,176	<hr/> 2,776,076
OTHER OPERATING INCOME		
Government grants	9,439	-
	<hr/> 9,439	<hr/> -

**INCOME STATEMENT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2020**

	31.3.20 £	31.3.19 £
ADMINISTRATIVE EXPENSES		
Establishment costs		
Rent and rates	11,674	11,674
Insurance	13,817	11,836
Administrative expenses		
Wages	19,952	24,133
Telephone	12,041	9,449
Post and stationery	4,703	9,831
Travelling	1,351	2,905
Repairs and renewals	14,225	12,700
Cleaning and laundry	-	295
Protective clothing	-	4,475
Computer expenses	16,020	33,317
Sundry expenses	562	1,596
Training	7,456	8,403
Legal and professional fees	26,634	8,849
Auditors remuneration	7,500	9,000
Admin extra 1		
Bad debts	(4,964)	(27,421)
Management fees	94,898	123,304
Finance costs		
Bank charges	1,777	3,748
Credit card charges	1,427	1,788
Administration expenses on pension scheme assets	-	55
Directors' remuneration		
Directors' salaries	-	2,417
Directors' social security	-	145
Depreciation		
Computer equipment	6,404	8,538
	<u>235,477</u>	<u>261,037</u>
 OTHER OPERATING EXPENSES		
Leases	140	220
	<u>140</u>	<u>220</u>
 FINANCE COSTS		
Interest on pension scheme liabilities	-	4,498
	<u>-</u>	<u>4,498</u>

This page does not form part of the statutory financial statements

GREENWICH SERVICE SOLUTIONS LIMITED

INCOME STATEMENT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2020

	31.3.20 £	31.3.19 £
FINANCE INCOME		
Deposit account interest	3,782	3,682
Interest income on pension scheme assets	-	1,813
	<u>3,782</u>	<u>5,495</u>

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