

**GROUP STRATEGIC REPORT, DIRECTORS' REPORT AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020
FOR
SUMMIT SYSTEMS LIMITED**

Magma Audit LLP
Chartered Accountants
Statutory Auditor
Unit 2, Chamwood Edge Business Park
Syston Road
Leicestershire
LE7 4UZ

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for the year ended 31 July 2020**

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SUMMIT SYSTEMS LIMITED

COMPANY INFORMATION
for the year ended 31 July 2020

DIRECTORS:	M C Jordan I Lowe C A Walters M Ross
SECRETARY:	I Lowe
REGISTERED OFFICE:	Unit F Tame Park Vanguard Wilnecote Tamworth Staffordshire B77 5DY
REGISTERED NUMBER:	02489937 (England and Wales)
AUDITORS:	Magma Audit LLP Chartered Accountants Statutory Auditor Unit 2, Chamwood Edge Business Park Syston Road Leicestershire LE7 4UZ
BANKERS:	Lloyds Bank PLC 113 The Border Telford Shropshire TF3 4AE

**GROUP STRATEGIC REPORT
for the year ended 31 July 2020**

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

REVIEW OF BUSINESS

The group has consolidated its position in the year maintaining its improvement in turnover, gross profit and profit before taxes. It has also continued to focus on control of its costs while developing the skills and experience of its staff through training and a process of continual improvement. The core product ranges performed well in the year; some market sectors such as automotive suffered significantly from the lock downs that were imposed on the economy, whilst other sectors remained buoyant to help balance trading through the year. The company has continued to develop its operations within the process cooling market and the directors remain confident of future growth in this sector.

Significant challenges were faced by the group the most significant of which is the global pandemic presented by COVID-19. The directors have taken all appropriate measures during the period to ensure the safety of its staff, customers and suppliers whilst continuing to trade successfully and plan for the future.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the group's performance. The directors view the principal risks to be foreign currency, credit, Brexit and COVID-19.

Foreign currency risk

Foreign currency exposure resulting from trade with customers and suppliers abroad is mitigated by a hedging policy adopted by the company.

Credit risk

Managing cashflow and credit risk is a priority of the company. All customers are subject to continuous credit checks to reduce exposure to bad debts and to maintain cashflow to support the working capital required for the operations within the business

Brexit

The continued uncertainty over the exit of the UK from the EU has been a significant challenge throughout the year and the company adopted a policy to build sufficient stocks to alleviate pressures that it may face in bringing products in from abroad. The company continues to work closely with its suppliers to maintain supply and provide service levels expected by its customers.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. The directors risk assess these changes each year and adjust group plans accordingly.

KEY PERFORMANCE INDICATORS

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and operating profit.

The group's turnover has increased from £10,970,997 to £12,036,103. Operating profit has increased from £801,094 to £879,722 and a profit before tax has been made of £861,458 (2019 - £789,697).

POST BALANCE SHEET POSITION AND SUBSEQUENT EVENTS

The year started positively with trading results in the year to date exceeding the budget set by directors.

Since the year end the Government has instructed two further lockdown periods. The directors have assessed the financial position of the company as well as the uncertainty surrounding the COVID-19 outbreak as part of its considerations surrounding the company's continued adoption of the going concern basis of accounting. Following the financial support that the company has received in the form of grants received, the directors are confident that the company has adequate resources and ample working capital within the business to continue operating for the foreseeable future.

ON BEHALF OF THE BOARD:

M C Jordan - Director

29 July 2021

DIRECTORS' REPORT
for the year ended 31 July 2020

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

PRINCIPAL ACTIVITY

The principal activity of the group continued to be that of distribution of handling equipment for the plastics industry, the fabrication of associated components and the supply and installation of a wide range of cooling equipment.

DIVIDENDS

Interim dividends were paid amounting to £127,321 (2019 - £208,316). The directors recommend that no final dividend be paid.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

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

M C Jordan
I Lowe
C A Walters

Other changes in directors holding office are as follows:

M Ross was appointed as a director after 31 July 2020 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

DIRECTORS' REPORT
for the year ended 31 July 2020

AUDITORS

The auditors, Magma Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M C Jordan - Director

29 July 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUMMIT SYSTEMS LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Directors' Report, but does not include the financial statements and our Auditors' Report thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 Group Strategic Report or 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 AUDITORS' REPORT TO THE MEMBERS OF SUMMIT SYSTEMS LIMITED

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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

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 Auditors' Report.

Other matters which we are required to address

There was no requirement for an audit of the financial statements in the prior period. The comparatives are therefore unaudited.

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 Auditors' 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.

Paul Orton (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Chartered Accountants
Statutory Auditor
Unit 2, Charnwood Edge Business Park
Syston Road
Leicestershire
LE7 4UZ

29 July 2021

SUMMIT SYSTEMS LIMITED (REGISTERED NUMBER: 02489937)

CONSOLIDATED INCOME STATEMENT
for the year ended 31 July 2020

		2020	2019
	Notes	£	as restated (Unaudited) £
TURNOVER	4	12,036,103	10,970,997
Cost of sales		<u>(8,763,819)</u>	<u>(7,618,513)</u>
GROSS PROFIT		3,272,284	3,352,484
Distribution costs		(27,239)	(12,831)
Administrative expenses		<u>(2,569,709)</u>	<u>(2,589,938)</u>
		675,336	749,715
Other operating income	5	204,386	51,379
OPERATING PROFIT	7	879,722	801,094
Interest receivable and similar income	8	1,895	2,531
		881,617	803,625
Interest payable and similar expenses	9	(20,159)	(13,928)
PROFIT BEFORE TAXATION		861,458	789,697
Tax on profit	10	216,970	132,295
PROFIT FOR THE FINANCIAL YEAR		<u>1,078,428</u>	<u>921,992</u>
Profit attributable to: Owners of the parent		<u>1,078,428</u>	<u>921,992</u>

The notes form part of these financial statements

SUMMIT SYSTEMS LIMITED (REGISTERED NUMBER: 02489937)

CONSOLIDATED OTHER COMPREHENSIVE INCOME
for the year ended 31 July 2020

		2020	2019 as restated (Unaudited)
	Notes	£	£
PROFIT FOR THE YEAR		1,078,428	921,992
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	921,992
Prior year adjustment	Note 13	194,249	
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		1,272,677	
Total comprehensive income attributable to: Owners of the parent		1,272,677	921,992

The notes form part of these financial statements

SUMMIT SYSTEMS LIMITED (REGISTERED NUMBER: 02489937)

CONSOLIDATED BALANCE SHEET

31 July 2020

	Notes	2020 £	2019 as restated (Unaudited) £
FIXED ASSETS			
Intangible assets	14	206,317	231,075
Tangible assets	15	468,418	522,206
Investments	16	-	-
		<u>674,735</u>	<u>753,281</u>
CURRENT ASSETS			
Stocks	17	1,808,656	1,723,107
Debtors	18	3,124,881	2,758,103
Investments	19	19,569	19,569
Cash at bank and in hand		1,802,949	535,359
		<u>6,756,055</u>	<u>5,036,138</u>
CREDITORS			
Amounts falling due within one year	20	<u>(4,692,547)</u>	<u>(3,958,111)</u>
NET CURRENT ASSETS		<u>2,063,508</u>	<u>1,078,027</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,738,243	1,831,308
CREDITORS			
Amounts falling due after more than one year	21	(152,715)	(173,329)
PROVISIONS FOR LIABILITIES	24	<u>(36,500)</u>	<u>(60,060)</u>
NET ASSETS		<u>2,549,028</u>	<u>1,597,919</u>
CAPITAL AND RESERVES			
Called up share capital	25	21,055	21,053
Retained earnings	26	2,527,973	1,576,866
SHAREHOLDERS' FUNDS		<u>2,549,028</u>	<u>1,597,919</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 July 2021 and were signed on its behalf by:

M C Jordan - Director

SUMMIT SYSTEMS LIMITED (REGISTERED NUMBER: 02489937)

COMPANY BALANCE SHEET

31 July 2020

	Notes	2020 £	2019 as restated (Unaudited) £
FIXED ASSETS			
Intangible assets	14	-	-
Tangible assets	15	468,418	522,206
Investments	16	348,785	348,785
		<u>817,203</u>	<u>870,991</u>
CURRENT ASSETS			
Stocks	17	1,803,098	1,723,107
Debtors	18	2,900,286	2,632,896
Investments	19	19,569	19,569
Cash in hand		1,436,079	350,191
		<u>6,159,032</u>	<u>4,725,763</u>
CREDITORS			
Amounts falling due within one year	20	(4,291,513)	(3,764,296)
NET CURRENT ASSETS		<u>1,867,519</u>	<u>961,467</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,684,722	1,832,458
CREDITORS			
Amounts falling due after more than one year	21	(152,715)	(173,329)
PROVISIONS FOR LIABILITIES	24	(36,500)	(60,060)
NET ASSETS		<u>2,495,507</u>	<u>1,599,069</u>
CAPITAL AND RESERVES			
Called up share capital	25	21,055	21,053
Retained earnings	26	2,474,452	1,578,016
SHAREHOLDERS' FUNDS		<u>2,495,507</u>	<u>1,599,069</u>
Company's profit for the financial year		<u>1,023,757</u>	<u>923,142</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 July 2021 and were signed on its behalf by:

M C Jordan - Director

SUMMIT SYSTEMS LIMITED (REGISTERED NUMBER: 02489937)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 July 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2018	21,053	863,190	884,243
Changes in equity			
Dividends	-	(208,316)	(208,316)
Total comprehensive income	-	727,743	727,743
Balance at 31 July 2019	<u>21,053</u>	<u>1,382,617</u>	<u>1,403,670</u>
Prior year adjustment	-	194,249	194,249
As restated	<u>21,053</u>	<u>1,576,866</u>	<u>1,597,919</u>
Changes in equity			
Issue of share capital	2	-	2
Dividends	-	(127,321)	(127,321)
Total comprehensive income	-	1,078,428	1,078,428
Balance at 31 July 2020	<u>21,055</u>	<u>2,527,973</u>	<u>2,549,028</u>

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 July 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2018	21,053	863,190	884,243
Changes in equity			
Dividends	-	(208,316)	(208,316)
Total comprehensive income	-	728,893	728,893
Balance at 31 July 2019	<u>21,053</u>	<u>1,383,767</u>	<u>1,404,820</u>
Prior year adjustment	-	194,249	194,249
As restated	<u>21,053</u>	<u>1,578,016</u>	<u>1,599,069</u>
Changes in equity			
Issue of share capital	2	-	2
Dividends	-	(127,321)	(127,321)
Total comprehensive income	-	1,023,757	1,023,757
Balance at 31 July 2020	<u>21,055</u>	<u>2,474,452</u>	<u>2,495,507</u>

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 July 2020

		2020	2019
	Notes	£	as restated (Unaudited) £
Cash flows from operating activities			
Cash generated from operations	1	1,314,589	652,870
Interest paid		(5,665)	(3,264)
Interest element of hire purchase payments paid		(14,494)	(10,664)
Tax paid		219,601	83,115
Net cash from operating activities		<u>1,514,031</u>	<u>722,057</u>
Cash flows from investing activities			
Acquisition of subsidiary		-	(247,580)
Purchase of tangible fixed assets		(161,715)	(302,108)
Sale of tangible fixed assets		20,100	64,768
Interest received		1,895	2,531
Net cash from investing activities		<u>(139,720)</u>	<u>(482,389)</u>
Cash flows from financing activities			
Hire purchase repayments in year		(14,714)	87,620
Amount introduced by directors		35,312	-
Amount withdrawn by directors		-	(245)
Share issue		2	-
Equity dividends paid		(127,321)	(208,316)
Net cash from financing activities		<u>(106,721)</u>	<u>(120,941)</u>
Increase in cash and cash equivalents		<u>1,267,590</u>	<u>118,727</u>
Cash and cash equivalents at beginning of year	2	535,359	416,632
Cash and cash equivalents at end of year	2	<u>1,802,949</u>	<u>535,359</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 July 2020

1.	RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS	2020	2019 as restated (Unaudited)	
		£	£	
	Profit before taxation	861,458	789,697	
	Depreciation charges	225,827	208,475	
	Profit on disposal of fixed assets	(5,666)	(33,621)	
	Finance costs	20,159	13,928	
	Finance income	(1,895)	(2,531)	
		<u>1,099,883</u>	<u>975,948</u>	
	Increase in stocks	(85,549)	(431,545)	
	(Increase)/decrease in trade and other debtors	(495,712)	82,648	
	Increase in trade and other creditors	795,967	25,819	
	Cash generated from operations	<u>1,314,589</u>	<u>652,870</u>	
2.	CASH AND CASH EQUIVALENTS			
	The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:			
	Year ended 31 July 2020	31/7/20	1/8/19	
		£	£	
	Cash and cash equivalents	<u>1,802,949</u>	<u>535,359</u>	
	Year ended 31 July 2019	31/7/19	1/8/18	
		as restated (Unaudited)		
		£	£	
	Cash and cash equivalents	<u>535,359</u>	<u>416,632</u>	
3.	ANALYSIS OF CHANGES IN NET FUNDS			
		At 1/8/19	Cash flow	At 31/7/20
		£	£	£
	Net cash			
	Cash at bank and in hand	<u>535,359</u>	<u>1,267,590</u>	<u>1,802,949</u>
		<u>535,359</u>	<u>1,267,590</u>	<u>1,802,949</u>
	Liquid resources			
	Current asset investments	<u>19,569</u>	-	<u>19,569</u>
		<u>19,569</u>	-	<u>19,569</u>
	Debt			
	Finance leases	<u>(306,263)</u>	<u>14,714</u>	<u>(291,549)</u>
		<u>(306,263)</u>	<u>14,714</u>	<u>(291,549)</u>
	Total	<u>248,665</u>	<u>1,282,304</u>	<u>1,530,969</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 July 2020

1. **STATUTORY INFORMATION**

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

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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

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.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future despite the ensuing global pandemic. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Rendering of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to there with and the costs incurred in respect of the transaction can be measured reliably.

Goodwill

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows;

Plant and computer equipment	-	10% - 25% straight line
Fixtures and fittings	-	10% - 25% straight line
Motor vehicles	-	25% straight line

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

2. ACCOUNTING POLICIES - continued

Government grants

Government grants are presented within deferred income on the Balance Sheet with recognition of income being in line with the annual depreciation charge of the associated capital asset.

The company has received funding in the form of grants relating to the Coronavirus Job Retention Scheme (CJRS). The grant funding is released to the profit and loss account in full in the year the conditions of the grant funding have been met.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprise of direct materials.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Financial instruments

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

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

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

Basic financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

2. **ACCOUNTING POLICIES - continued**

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

Cash and cash equivalents

Cash at bank and in hand 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.

Taxation

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

Current tax

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

Deferred tax

Deferred 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

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 are included in the profit and loss account for the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

2. **ACCOUNTING POLICIES - continued**

Leases

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Pension costs and other post-retirement benefits

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

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.

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the company's accounting policies, the director is 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property, plant and equipment, and note 2 for the useful economic lives for each class of assets.

(ii) Stock provisioning

The principal activity of the company is that of distribution of handling equipment for the plastics industry and the fabrication of associated components. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management consider the nature and condition of the stock, as well as applying assumptions around the anticipated saleability of the stock. See note 17 for the net of provisioning carrying amount of stock.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

4. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2020	2019 as restated (Unaudited)
	£	£
Handling equipment sales	9,635,520	9,927,403
Rentals	94,334	124,494
Recyclate	685,350	351,259
Chilled	1,620,899	567,841
	<u>12,036,103</u>	<u>10,970,997</u>

An analysis of turnover by geographical market is given below:

	2020	2019 as restated (Unaudited)
	£	£
United Kingdom	11,965,212	10,547,342
Europe	63,332	423,655
United States of America	7,559	-
	<u>12,036,103</u>	<u>10,970,997</u>

5. **OTHER OPERATING INCOME**

	2020	2019 as restated (Unaudited)
	£	£
Rents received	44,776	49,162
Sundry receipts	497	2,217
Covid support grants	159,113	-
	<u>204,386</u>	<u>51,379</u>

6. **EMPLOYEES AND DIRECTORS**

	2020	2019 as restated (Unaudited)
	£	£
Wages and salaries	1,948,662	1,843,405
Social security costs	220,746	203,988
Other pension costs	184,612	181,064
	<u>2,354,020</u>	<u>2,228,457</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

6. EMPLOYEES AND DIRECTORS - continued

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

	2020	2019 as restated (Unaudited)
External sales	8	6
Service	10	10
Technical	7	7
Operations	7	9
Administration	6	8
Marketing	1	1
Internal Sales	5	5
Fabrications	4	5
Chilled	5	1
Directors	3	3
	<u>56</u>	<u>55</u>

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

	2020	2019 as restated (Unaudited)
	£	£
Directors' remuneration	191,755	219,700
Directors' pension contributions to money purchase schemes	<u>22,857</u>	<u>31,189</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

7. OPERATING PROFIT

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

	2020	2019 as restated (Unaudited)
	£	£
Hire of plant and machinery	52,592	22,343
Other operating leases	199,344	179,216
Depreciation - owned assets	83,537	131,454
Depreciation - assets on hire purchase contracts	117,532	60,516
Profit on disposal of fixed assets	(5,666)	(33,621)
Goodwill amortisation	24,758	16,505
Auditors' remuneration	12,500	-
Foreign exchange differences	<u>30,934</u>	<u>58,081</u>

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019 as restated (Unaudited)
	£	£
Interest received	<u>1,895</u>	<u>2,531</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019 as restated (Unaudited)
	£	£
Non bank interest on loans	5,665	3,264
Hire purchase interest payable	14,494	10,664
	<u>20,159</u>	<u>13,928</u>

10. TAXATION

Analysis of the tax credit

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

	2020	2019 as restated (Unaudited)
	£	£
Current tax:		
UK corporation tax	13,955	149,694
Adjustment to prior years	(207,365)	(292,049)
Total current tax	<u>(193,410)</u>	<u>(142,355)</u>
Deferred tax	(23,560)	10,060
Tax on profit	<u>(216,970)</u>	<u>(132,295)</u>

Reconciliation of total tax credit included in profit and loss

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

	2020	2019 as restated (Unaudited)
	£	£
Profit before tax	<u>861,458</u>	<u>789,697</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2019 - 19 %)	<u>163,677</u>	150,042
Effects of:		
Expenses not deductible for tax purposes	2,222	3,106
Income not taxable for tax purposes	(1,340)	(8,096)
Depreciation in excess of capital allowances	2,442	21,094
Adjustments to tax charge in respect of previous periods	(207,365)	(256,759)
Unused tax losses	51,508	3,788
Qualifying research and development	(228,114)	(45,470)
Total tax credit	<u>(216,970)</u>	<u>(132,295)</u>

11. INDIVIDUAL INCOME STATEMENT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

12. DIVIDENDS	2020	2019 as restated (Unaudited)
	£	£
Ordinary shares of £1 each Interim	<u>127,321</u>	<u>208,316</u>

13. PRIOR YEAR ADJUSTMENT

There have been two prior year adjustments made.

The first one relates to fixed asset investment additions. The comparative figures have been restated in respect of deferred consideration not previously recognised which has resulted in an increase in the total investment in Total Process Cooling Limited and an increase in other creditors of £165,413 as at 31 July 2019. There was no profit and loss account effect.

Secondly, the stock valuation as at 31 July 2019 was found to be understated by £227,245 due to the incorrect allocation of purchase invoices on the stock management system. This adjustment has been corrected through the profit and loss account resulting in an increase in profit before tax of £227,245 via the increasing of closing stock in the profit and loss and balance sheet. This has been partly offset by an increase in tax thereon and this has been reflected by an increased tax liability of £32,996 which is shown in both the profit and loss account and within creditors.

14. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 August 2019 and 31 July 2020	<u>247,580</u>
AMORTISATION	
At 1 August 2019	16,505
Amortisation for year	<u>24,758</u>
At 31 July 2020	<u>41,263</u>
NET BOOK VALUE	
At 31 July 2020	<u>206,317</u>
At 31 July 2019	<u>231,075</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

15. TANGIBLE FIXED ASSETS

Group	Plant and computer equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 August 2019	754,107	340,874	543,663	1,638,644
Additions	3,390	19,852	138,473	161,715
Disposals	-	-	(43,632)	(43,632)
At 31 July 2020	<u>757,497</u>	<u>360,726</u>	<u>638,504</u>	<u>1,756,727</u>
DEPRECIATION				
At 1 August 2019	657,904	285,613	172,921	1,116,438
Charge for year	49,420	7,836	143,813	201,069
Eliminated on disposal	-	-	(29,198)	(29,198)
At 31 July 2020	<u>707,324</u>	<u>293,449</u>	<u>287,536</u>	<u>1,288,309</u>
NET BOOK VALUE				
At 31 July 2020	<u>50,173</u>	<u>67,277</u>	<u>350,968</u>	<u>468,418</u>
At 31 July 2019	<u>96,203</u>	<u>55,261</u>	<u>370,742</u>	<u>522,206</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Motor vehicles	<u>335,908</u>	<u>315,217</u>
Depreciation charge for the year in respect of leased assets	<u>117,532</u>	<u>60,516</u>

Company	Plant and computer equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 August 2019	754,107	340,874	543,663	1,638,644
Additions	3,390	19,852	138,473	161,715
Disposals	-	-	(43,632)	(43,632)
At 31 July 2020	<u>757,497</u>	<u>360,726</u>	<u>638,504</u>	<u>1,756,727</u>
DEPRECIATION				
At 1 August 2019	657,904	285,613	172,921	1,116,438
Charge for year	49,420	7,836	143,813	201,069
Eliminated on disposal	-	-	(29,198)	(29,198)
At 31 July 2020	<u>707,324</u>	<u>293,449</u>	<u>287,536</u>	<u>1,288,309</u>
NET BOOK VALUE				
At 31 July 2020	<u>50,173</u>	<u>67,277</u>	<u>350,968</u>	<u>468,418</u>
At 31 July 2019	<u>96,203</u>	<u>55,261</u>	<u>370,742</u>	<u>522,206</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

15. TANGIBLE FIXED ASSETS - continued

Company

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Motor vehicles	<u>335,908</u>	<u>315,217</u>
Depreciation charge for the year in respect of leased assets	<u>117,532</u>	<u>60,516</u>

16. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 August 2019 and 31 July 2020	<u>348,785</u>
NET BOOK VALUE	
At 31 July 2020	<u>348,785</u>
At 31 July 2019	<u>348,785</u>

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

Subsidiary

Total Process Cooling Limited

Registered office: Tamworth, B77 5DY

Nature of business: Supply and installation of cooling equipment

Class of shares:	%
Ordinary	holding 100.00

17. STOCKS

	Group		Company	
	2020	2019 as restated (Unaudited)	2020	2019 as restated (Unaudited)
	£	£	£	£
Finished goods	<u>1,808,656</u>	<u>1,723,107</u>	<u>1,803,098</u>	<u>1,723,107</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019 as restated (Unaudited)	2020	2019 as restated (Unaudited)
	£	£	£	£
Trade debtors	2,300,253	2,123,662	2,090,734	2,003,095
Other debtors	558,144	321,706	558,144	317,066
Amount due from group undertakings	-	-	48,629	-
Tax	-	128,934	-	128,934
Prepayments and accrued income	266,484	183,801	202,779	183,801
	<u>3,124,881</u>	<u>2,758,103</u>	<u>2,900,286</u>	<u>2,632,896</u>

19. CURRENT ASSET INVESTMENTS

	Group		Company	
	2020	2019 as restated (Unaudited)	2020	2019 as restated (Unaudited)
	£	£	£	£
Other investments	<u>19,569</u>	<u>19,569</u>	<u>19,569</u>	<u>19,569</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019 as restated (Unaudited)	2020	2019 as restated (Unaudited)
	£	£	£	£
Hire purchase contracts (see note 22)	138,834	132,934	138,834	132,934
Trade creditors	2,217,319	1,556,043	1,890,399	1,376,408
Corporation tax	46,951	149,694	32,996	149,694
Social security and other taxes	555,304	368,407	500,145	341,679
Other creditors	633,926	568,027	633,926	565,684
Amounts due to group undertakings	-	-	-	19,891
Directors' loan accounts	35,530	218	35,530	218
Accrued expenses	1,056,683	1,173,788	1,051,683	1,168,788
Deferred government grants	8,000	9,000	8,000	9,000
	<u>4,692,547</u>	<u>3,958,111</u>	<u>4,291,513</u>	<u>3,764,296</u>

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2020	2019 as restated (Unaudited)	2020	2019 as restated (Unaudited)
	£	£	£	£
Hire purchase contracts (see note 22)	<u>152,715</u>	<u>173,329</u>	<u>152,715</u>	<u>173,329</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

22. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020	2019
	as restated (Unaudited)	
	£	£
Net obligations repayable:		
Within one year	138,834	132,934
Between one and five years	<u>152,715</u>	<u>173,329</u>
	<u>291,549</u>	<u>306,263</u>

Hire purchase contracts represent rentals payable by the company for certain tangible fixed assets. The average lease term is 3 years.

Company

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020	2019
	as restated (Unaudited)	
	£	£
Net obligations repayable:		
Within one year	138,834	132,934
Between one and five years	<u>152,715</u>	<u>173,329</u>
	<u>291,549</u>	<u>306,263</u>

Hire purchase contracts represent rentals payable by the company for certain tangible fixed assets. The average lease term is 3 years.

Group

	Non-cancellable operating leases	
	2020	2019
	as restated (Unaudited)	
	£	£
Within one year	152,130	149,365
Between one and five years	<u>382,440</u>	<u>525,768</u>
	<u>534,570</u>	<u>675,133</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

22. LEASING AGREEMENTS - continued

Company

	Non-cancellable operating leases	
	2020	2019 as restated (Unaudited)
	£	£
Within one year	149,365	149,366
Between one and five years	382,440	525,768
	<u>531,805</u>	<u>675,134</u>

Operating lease payments represent rentals payable by the company for equipment, land and buildings. Leases are negotiated for an average term of 1-5 years and rentals are fixed during this period.

23. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2020	2019 as restated (Unaudited)	2020	2019 as restated (Unaudited)
	£	£	£	£
Hire purchase contracts	<u>291,549</u>	<u>306,263</u>	<u>291,549</u>	<u>306,263</u>

The hire purchase contracts are secured on the assets concerned.

24. PROVISIONS FOR LIABILITIES

	Group		Company	
	2020	2019 as restated (Unaudited)	2020	2019 as restated (Unaudited)
	£	£	£	£
Deferred tax	<u>36,500</u>	<u>60,060</u>	<u>36,500</u>	<u>60,060</u>

Group

Balance at 1 August 2019	60,060
Credit to Income Statement during year	(23,560)
Balance at 31 July 2020	<u>36,500</u>

Deferred tax	£
	60,060
	(23,560)
	<u>36,500</u>

Company

Balance at 1 August 2019	60,060
Credit to Statement of Comprehensive Income during year	(23,560)
Balance at 31 July 2020	<u>36,500</u>

Deferred tax	£
	60,060
	(23,560)
	<u>36,500</u>

The movement in deferred tax for the following period, based on current rates and information, is an estimated release of £28,500. This primarily relates to the reversal of timing differences on capital allowances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

25. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2020	2019
Number:	Class:		£	£
21,055	Ordinary		<u>21,055</u>	<u>21,053</u>

2 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

The £21,055 shares in issue are split as follows; 15,841 Ordinary A, 1,000 Ordinary B, 1,053 Ordinary C, 1,053 Ordinary D, 1,053 Ordinary E, 1,053 Ordinary F, 1 Ordinary G and 1 Ordinary H.

The Ordinary A - E shares have full rights in the company with respect to voting, dividends and distributions.

The Ordinary G - H shares have rights in the company with respect to dividends but are non-voting.

26. RESERVES

Retained earnings

Retained earnings represent accumulated comprehensive income for the year and prior periods less dividends paid.

27. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £184,612 (2019 - £181,064) were paid in the year in respect of the defined contribution scheme.

28. OTHER FINANCIAL COMMITMENTS

At the year end the company had a financial commitment to purchase forward exchange contracts of €292,944 and \$365,000 which was the equivalent of £545,398.

29. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 July 2020 and 31 July 2019:

	2020	2019 as restated (Unaudited)
	£	£
M C Jordan		
Balance outstanding at start of year	(218)	(462)
Amounts advanced	135,828	103,353
Amounts repaid	(171,140)	(103,109)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(35,530)</u>	<u>(218)</u>

Dividends totalling £102,316 (2019 - £208,316) were paid in the year in respect of shares held by the company's directors.

30. RELATED PARTY DISCLOSURES

Key management personnel consists solely of the directors.

31. POST BALANCE SHEET EVENTS

At the balance sheet date the world was suffering a COVID-19 outbreak, and volatility in the economy as a result. More details on the impact of this outbreak are contained within the Strategic Report.

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.