

COMPANY REGISTRATION NUMBER: 03154819

Addis Group Limited
Consolidated Financial Statements
For the year ended
31 December 2021

Addis Group Limited
Consolidated Financial Statements
Year ended 31 December 2021

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Addis Group Limited

Officers and Professional Advisers

The board of directors

Mr M Lee-Smith
Mr R J Tucker
Mr M Godfrey

Company secretary

Mr R J Tucker

Registered office

Zone 3, Waterton Point
Brocastle Avenue, Waterton Industrial Estate
Bridgend
CF31 3US

Auditor

Clay Shaw Thomas Ltd
Chartered accountants & statutory auditor
2 Oldfield Road
Bocam Park
Bridgend
CF35 5LJ

Bankers

Halifax Bank of Scotland
New Uberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

Solicitors

Eversheds LLP
1 Callaghan Square
Cardiff
CF10 5BT

Addis Group Limited

Strategic Report

Year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the group continues to be the manufacture and sale of household and light commercial products.

Business review

The Group's turnover for the year increased from £33.32m to £35.85m.

The statement of comprehensive income of the Group is set out on page 12 and shows a profit before tax for the year ended 31 December 2021 of £1,086,128 compared with a profit for the year ended 31 December 2020 of £2,486,267.

We are pleased to report that 2021 was another year of progress for the Addis business. Once again, we saw an improvement in our sales. Due to increases in global supply costs, mainly, in transportation & materials, our profit fell, year on year, vs 2020, however increased vs 2019 levels. Our service levels remained strong, as did our product quality failure rate at 99.9%. All product categories (Cleaning, Laundry, Sinkside, Bathroom, Kitchen, Home organisation & Waste management) in the business grew strongly. Within the sales sectors, particular growth was seen in Export, Grocery, General merchants, Hardware and Garden centres.

Principal risks & uncertainties

The group's operations expose it to a variety of financial risks that include the effects of changes in market prices, currency risk, credit risk and interest rate risk. The group has in place a risk management programme that seeks to limit adverse effects on the financial performance of the group. Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Financial key performance indicators

The financial key performance indicators for the year were as follows:

	2021	2020
	£	£
Turnover	35,853,975	33,316,250
Profit before Tax	1,086,128	2,486,267
EBITDA	1,672,538	3,144,743

Impact of covid-19

On 11 March 2020, the World Health Organisation declared the outbreak of a coronavirus (COVID-19) a pandemic. On the 23 March 2020 the UK Government instructed the public to stay at home for all but essential journeys in order to slow the spread of the disease. As a result, economic uncertainties have arisen which could negatively impact future net income. Other financial impacts could occur though such potential impact is unknown at this time.

Addis Group Limited

Strategic Report *(continued)*

Year ended 31 December 2021

This report was approved by the board of directors on 17th May 2022 and signed on behalf of the board by:



Mr R J Tucker
Director

Registered office:
Zone 3, Waterton Point
Brocastle Avenue, Waterton Industrial Estate
Bridgend
CF31 3US

Addis Group Limited

Directors' Report

Year ended 31 December 2021

The directors present their report and the Consolidated financial statements of the group for the year ended 31 December 2021.

Directors

The directors who served the company during the year were as follows:

Mr M Lee-Smith
Mr R J Tucker
Mr M Godfrey

Dividends

The directors do not propose the payment of a dividend for the year (2020: £nil). The profit for the year of £3,074,179 (2020: Loss £2,080,037) was transferred to reserves.

Future developments

Since the period end, the group has been profitable and cash generative. The group's forecasts also show that it is expected to continue to be profitable and cash generative at an operating level over the foreseeable future. However the group is committed to significant funding of a defined benefit pension scheme. As a result the group will need to carefully manage its cash flow to ensure that there are sufficient funds to meet the contributions required by the scheme.

After enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the group will have access to adequate resources to continue in existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information in the strategic report

This information is shown in the strategic report under s414C(11) on page 1.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the Consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Consolidated financial statements for each financial year. Under that law the directors have elected to prepare the Consolidated 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 Consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these Consolidated financial statements, the directors are required to:

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

Addis Group Limited

Directors' Report *(continued)*

Year ended 31 December 2021

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 Consolidated 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 17th May 2022 and signed on behalf of the board by:



Mr R J Tucker
Director

Registered office:
Zone 3, Waterton Point
Brocastle Avenue, Waterton Industrial Estate
Bridgend
CF31 3US

Addis Group Limited

Independent Auditor's Report to the Members of Addis Group Limited

Year ended 31 December 2021

Opinion

We have audited the Consolidated financial statements of Addis Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, consolidated balance sheet, balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Consolidated financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the Consolidated financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Addis Group Limited

Independent Auditor's Report to the Members of Addis Group Limited *(continued)*

Year ended 31 December 2021

Other information

The other information comprises the information included in the annual report, other than the Consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the Consolidated 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 Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated 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 directors' report for the financial year for which the Consolidated financial statements are prepared is consistent with the Consolidated financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 Consolidated 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.

Addis Group Limited

Independent Auditor's Report to the Members of Addis Group Limited

(continued)

Year ended 31 December 2021

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the Consolidated financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated 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.

Addis Group Limited

Independent Auditor's Report to the Members of Addis Group Limited *(continued)*

Year ended 31 December 2021

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including UK Companies Act, employment law, health & safety regulations and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Group is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Group financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with management considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates; and
 - We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and reviewing journal entries.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Addis Group Limited

Independent Auditor's Report to the Members of Addis Group Limited *(continued)*

Year ended 31 December 2021

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated Consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Addis Group Limited

Independent Auditor's Report to the Members of Addis Group Limited

(continued)

Year ended 31 December 2021

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr David Gwyn J. Williams B.A.,F.C.A (Senior Statutory Auditor)

For and on behalf of
Clay Shaw Thomas Ltd
Chartered accountants & statutory auditor
2 Oldfield Road
Bocam Park
Bridgend
CF35 5LJ

17th May 2022

Addis Group Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	35,853,975	33,316,250
Cost of sales		(28,046,088)	(24,710,924)
Gross profit		7,807,887	8,605,326
Distribution costs		(4,928,793)	(4,160,406)
Administrative expenses		(1,395,747)	(1,532,966)
Other operating income	5	19,342	70,067
Operating profit	6	1,502,689	2,982,021
Other interest receivable and similar income	10	41	1,933
Interest payable and similar expenses	11	(416,602)	(497,687)
Profit before taxation		1,086,128	2,486,267
Tax on profit	12	(190,849)	(475,804)
Profit for the financial year		895,279	2,010,463
Remeasurement of the net defined benefit plan		2,690,000	(5,050,000)
Tax relating to components of other comprehensive income		(511,100)	959,500
Other comprehensive income for the year		2,178,900	(4,090,500)
Total comprehensive income for the year		3,074,179	(2,080,037)

All the activities of the group are from continuing operations.

The notes on pages 18 to 33 form part of these Consolidated financial statements.

Addis Group Limited

Consolidated Balance Sheet

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	1,387,100	1,077,364
Current assets			
Stocks	15	3,236,407	2,768,512
Debtors	16	10,304,324	10,663,740
Cash at bank and in hand		1,846,285	1,699,684
		15,387,016	15,131,936
Creditors: amounts falling due within one year	17	5,134,316	4,659,858
Net current assets		10,252,700	10,472,078
Total assets less current liabilities		11,639,800	11,549,442
Creditors: amounts falling due after more than one year	18	64,083	37,904
Net assets excluding defined benefit pension plan liability		11,575,717	11,511,538
Defined benefit pension plan liability	20	(20,180,000)	(23,190,000)
Net liabilities including defined benefit pension plan liability		(8,604,283)	(11,678,462)
Capital and reserves			
Called up share capital	23	10,650,000	10,650,000
Share premium account	24	1,314,000	1,314,000
Profit and loss account	24	(20,568,283)	(23,642,462)
Shareholders deficit		(8,604,283)	(11,678,462)

These Consolidated financial statements were approved by the board of directors and authorised for issue on 14 May 2022, and are signed on behalf of the board by:



Mr M Lee-Smith
Director



Mr R J Tucker
Director

Company registration number: 03154819

The notes on pages 18 to 33 form part of these Consolidated financial statements.

Addis Group Limited

Balance Sheet

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	2,000,000	2,000,000
Creditors: amounts falling due within one year	17	4,353,000	4,353,000
Net current liabilities		<u>4,353,000</u>	<u>4,353,000</u>
Total assets less current liabilities		<u>(2,353,000)</u>	<u>(2,353,000)</u>
Capital and reserves			
Called up share capital	23	10,650,000	10,650,000
Share premium account	24	1,314,000	1,314,000
Profit and loss account	24	<u>(14,317,000)</u>	<u>(14,317,000)</u>
Shareholders deficit		<u>(2,353,000)</u>	<u>(2,353,000)</u>

The profit for the financial year of the parent company was £Nil (2020: £Nil).

These Consolidated financial statements were approved by the board of directors and authorised for issue on 17th May 2022 and are signed on behalf of the board by:



Mr M Lee-Smith
Director



Mr R J Tucker
Director

Company registration number: 03154819

The notes on pages 18 to 33 form part of these Consolidated financial statements.

Addis Group Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2020	10,650,000	1,314,000	(21,562,425)	(9,598,425)
Profit for the year			2,010,463	2,010,463
Other comprehensive income for the year:				
Remeasurement of the net defined benefit plan	20	–	(5,050,000)	(5,050,000)
Tax relating to components of other comprehensive income	12	–	959,500	959,500
Total comprehensive income for the year	–	–	(2,080,037)	(2,080,037)
At 31 December 2020	10,650,000	1,314,000	(23,642,462)	(11,678,462)
Profit for the year			895,279	895,279
Other comprehensive income for the year:				
Remeasurement of the net defined benefit plan	20	–	2,690,000	2,690,000
Tax relating to components of other comprehensive income	12	–	(511,100)	(511,100)
Total comprehensive income for the year	–	–	3,074,179	3,074,179
At 31 December 2021	<u>10,650,000</u>	<u>1,314,000</u>	<u>(20,568,283)</u>	<u>(8,604,283)</u>

The notes on pages 18 to 33 form part of these Consolidated financial statements.

Addis Group Limited

Company Statement of Changes in Equity

Year ended 31 December 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2020	10,650,000	1,314,000	(14,317,000)	(2,353,000)
Profit for the year			-	-
At 31 December 2020	10,650,000	1,314,000	(14,317,000)	(2,353,000)
Profit for the year			-	-
At 31 December 2021	<u>10,650,000</u>	<u>1,314,000</u>	<u>(14,317,000)</u>	<u>(2,353,000)</u>

The notes on pages 18 to 33 form part of these Consolidated financial statements.

Addis Group Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	895,279	2,010,463
<i>Adjustments for:</i>		
Depreciation of tangible assets	169,849	162,722
Government grant income	(19,342)	(6,760)
Other interest receivable and similar income	(41)	(1,933)
Interest payable and similar expenses	416,602	497,687
Defined benefit pension plan employer contributions	(730,000)	(670,000)
Tax on profit	190,849	475,804
Accrued (income)/expenses	(360,233)	577,278
<i>Changes in:</i>		
Stocks	(467,895)	(138,969)
Trade and other debtors	359,416	(2,049,164)
Trade and other creditors	555,044	260,805
Cash generated from operations	1,009,528	1,117,933
Interest paid	(6,602)	(17,687)
Interest received	41	1,933
Tax paid	(425,103)	(73,639)
Net cash from operating activities	577,864	1,028,540
Cash flows from investing activities		
Purchase of tangible assets	(479,584)	(241,301)
Net cash used in investing activities	(479,584)	(241,301)
Cash flows from financing activities		
Repayments of borrowings	48,321	(326,940)
Government grant income	—	37,904
(Repayments)/Proceeds of finance lease liabilities	—	(8,239)
Net cash from/(used in) financing activities	48,321	(297,275)
Net increase in cash and cash equivalents	146,601	489,964
Cash and cash equivalents at beginning of year	1,699,684	1,209,720
Cash and cash equivalents at end of year	1,846,285	1,699,684

The notes on pages 18 to 33 form part of these Consolidated financial statements.

Addis Group Limited

Notes to the Consolidated Financial Statements

Year ended 31 December 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Zone 3, Waterton Point, Brocastle Avenue, Waterton Industrial Estate, Bridgend, CF31 3US.

2. Statement of compliance

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom & Republic of Ireland' (FRS 102), and with the Companies Act 2006.

3. Accounting policies

Basis of preparation

The following accounting policies have been applied consistently in dealing with items which are considered material in relations to the company's financial statements.

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The financial statements are presented in Sterling (£).

Foreign currency

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Going concern

Since the period end, the group has continued to be profitable at an operating level. The group's forecasts also show that it is expected to remain profitable and cash generative at an operating level over the foreseeable future. However the group is committed to significant funding of a defined benefit pension scheme. As a result, the group will need to carefully manage its cash flow to ensure that there are sufficient funds to meet the contributions required by the scheme.

After enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the group will have access to adequate resources to continue in existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

Consolidation

The Consolidated financial statements consolidate the Consolidated financial statements of Addis Group Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(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 re-assessed 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 notes to the accounts for the carrying amount of the property plant and equipment and for the useful economic lives for each class of assets.

(ii) Stock Provisions

The company sells household and light commercial products and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of the stock and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future use of raw materials.

(iii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(iv) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management rely on the estimates provided by the actuary, of these factors, in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Revenue recognition

Turnover represents the amounts derived from the provision of goods and services to customers, excluding Value Added Tax and trade discounts.

Income tax

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more or a right to pay less, or to receive more tax with the following exception:

- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	3 years straight line and 15% reducing balance
Fixtures and fittings	-	3 to 10 years straight line

The carrying values of the fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the first in first out basis is used. For work in progress and finished goods is taken as production cost, which includes an appropriate proportion of attributable overheads.

Stocks held on consignment are those where the risks and rewards are not passed on to the company. These stocks are not included in the balance sheet and are expensed in the profit and loss account in the period in which they are consumed.

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate.

Revenue grants receivable are credited to the profit and loss account in the period in which they become receivable.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Defined benefit plans

The company operates a defined benefit pension scheme, the Addis Housewares Limited Pension Scheme, which is closed to new members. The scheme funds are administered by trustees and are independent of the company's finances. The scheme contributions are paid to the scheme in accordance with the recommendations of independent actuaries.

The difference between the market value of the assets of the scheme and the present value of its liabilities is shown as an asset or liability on the company's balance sheet. Any difference between the expected return on assets and that actually achieved is recognised in the statement of changes in equity, along with differences which arise from experience or assumption changes.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

4. Turnover

Turnover arises from:

	2021	2020
	£	£
Sale of goods	35,853,975	33,316,250

Turnover arises solely from the principal activities of the group. The group has not disclosed an analysis of turnover by market as the directors consider that this will be seriously prejudicial to the company.

5. Other operating income

	2021	2020
	£	£
Government grant income	19,342	6,760
Other operating income	—	63,307
	19,342	70,067

6. Operating profit

Operating profit or loss is stated after charging:

	2021	2020
	£	£
Depreciation of tangible assets	169,849	162,722
Impairment of trade debtors	46,373	59,016
Operating lease rentals	820,596	636,519
Defined contribution plans expense	180,845	183,477

7. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the consolidated financial statements	25,250	24,000
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	3,750	3,650

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2021	2020
	No.	No.
Production staff	30	28
Distribution staff	47	39
Administrative staff	16	16
	93	83

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

8. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	2,744,448	2,566,045
Social security costs	297,960	249,026
Other pension costs	180,845	183,476
	<u>3,223,253</u>	<u>2,998,547</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	588,637	484,370
Company contributions to defined contribution pension plans	84,422	103,934
	<u>673,059</u>	<u>588,304</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021	2020
	No.	No.
Defined contribution plans	<u>3</u>	<u>3</u>

Remuneration of the highest paid director in respect of qualifying services:

	2021	2020
	£	£
Aggregate remuneration	244,099	169,428
Company contributions to defined contribution pension plans	3,412	41,200
	<u>247,511</u>	<u>210,628</u>

10. Other interest receivable and similar income

	2021	2020
	£	£
Interest on cash and cash equivalents	—	1,933
Interest receivable from HMRC	41	—
	<u>41</u>	<u>1,933</u>

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

11. Interest payable and similar expenses

	2021 £	2020 £
Interest on banks loans and overdrafts	6,602	17,440
Interest on obligations under finance leases and hire purchase contracts	—	247
Pension finance charge	410,000	480,000
	<u>416,602</u>	<u>497,687</u>

12. Tax on profit

Major components of tax income

	2021 £	2020 £
Current tax:		
UK current tax income	63,543	428,063
Adjustments in respect of prior periods	(6,553)	—
Total current tax	<u>56,990</u>	<u>428,063</u>
Deferred tax:		
Origination and reversal of timing differences	73,059	11,641
Movement in deferred tax asset in relation to pension scheme deficit	60,800	36,100
Total deferred tax	<u>133,859</u>	<u>47,741</u>
Tax on profit	<u>190,849</u>	<u>475,804</u>

Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £511,100 (2020: £(959,500)).

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

12. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 57% (2020: 19%).

	2021 £	2020 £
Profit on ordinary activities before taxation	1,086,128	2,486,267
Profit on ordinary activities by rate of tax	206,364	472,391
Adjustment to tax charge in respect of prior periods	(6,553)	–
Effect of expenses not deductible for tax purposes	2,778	–
Effect of capital allowances and depreciation	(60,907)	(15,494)
Effect of different UK tax rates on some earnings	(11,673)	–
Deferred grant income	(3,675)	(1,284)
Net pension expenses not deductible for tax purposes	(69,344)	(27,550)
Deferred tax: Origination and reversal of timing differences	73,059	11,641
Deferred tax: Movement in deferred tax asset in relation to pension scheme deficit	60,800	36,100
Tax on profit	190,849	475,804

13. Tangible assets

Group	Plant and machinery £	Fixtures and fittings £	Assets in construction £	Total £
Cost				
At 1 January 2021	2,537,729	355,947	–	2,893,676
Additions	–	–	479,584	479,584
Transfers	409,806	69,779	(479,584)	1
At 31 December 2021	2,947,535	425,726	–	3,373,261
Depreciation				
At 1 January 2021	1,541,404	274,908	–	1,816,312
Charge for the year	159,104	10,745	–	169,849
At 31 December 2021	1,700,508	285,653	–	1,986,161
Carrying amount				
At 31 December 2021	1,247,027	140,073	–	1,387,100
At 31 December 2020	996,325	81,039	–	1,077,364

The company has no tangible assets.

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

13. Tangible assets *(continued)*

Capital commitments

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Contracted for but not provided for in the Consolidated financial statements	<u>—</u>	<u>110,000</u>	<u>—</u>	<u>—</u>

14. Investments

The group has no investments.

Company

Shares in group undertakings £

Cost

At 1 January 2021 and 31 December 2021 2,000,000

Impairment

At 1 January 2021 and 31 December 2021 —

Carrying amount

At 1 January 2021 and 31 December 2021 2,000,000

At 31 December 2020 2,000,000

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Class of share	Percentage of shares held
Addis Housewares Limited	Ordinary 'A'	99
Addis Commercial Limited	Ordinary	100
EMSA (UK) Limited	Ordinary	100
Addis France Limited	Ordinary	100
Addis Germany Limited	Ordinary	100
Addis Limited	Ordinary	100
JA & MF Engineering Limited	Ordinary	100
Addis Housewares Pension Scheme Trustees Limited	Ordinary	100

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

15. Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	259,495	391,946	—	—
Finished goods and goods for resale	2,976,912	2,376,566	—	—
	<u>3,236,407</u>	<u>2,768,512</u>	<u>—</u>	<u>—</u>

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

16. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	5,669,563	5,726,144	—	—
Deferred tax asset	3,596,434	4,241,394	—	—
Prepayments and accrued income	322,881	386,268	—	—
Other debtors	715,446	309,934	—	—
	<u>10,304,324</u>	<u>10,663,740</u>	<u>—</u>	<u>—</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax asset	3,596,434	4,241,394	—	—

17. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	48,321	—	—	—
Trade creditors	2,938,043	1,853,576	—	—
Amounts owed to group undertakings	—	—	4,286,000	4,286,000
Accruals and deferred income	1,633,425	1,980,842	—	—
Corporation tax	63,502	428,063	—	—
Social security and other taxes	446,113	390,941	—	—
Pension creditor	—	1,524	—	—
Other creditors	4,912	4,912	67,000	67,000
	<u>5,134,316</u>	<u>4,659,858</u>	<u>4,353,000</u>	<u>4,353,000</u>

Bank loans and overdrafts are secured by fixed and floating charges over the assets of the company.

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Accruals and deferred income	<u>64,083</u>	<u>37,904</u>	<u>—</u>	<u>—</u>

19. Deferred tax

The deferred tax included in the balance sheet is as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Included in debtors (note 16)	<u>3,596,434</u>	<u>4,241,394</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Accelerated capital allowances	237,766	173,256	—	—
Pension plan obligations	(3,834,200)	(4,406,100)	—	—
Deferred tax - other timing differences	<u>—</u>	<u>(8,550)</u>	<u>—</u>	<u>—</u>
	<u>(3,596,434)</u>	<u>(4,241,394)</u>	<u>—</u>	<u>—</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £180,845 (2020: £183,476).

Defined benefit plans

The group operates a defined benefit pension scheme with assets held in a separately administered fund. The fund is administered by a group of trustees, who are responsible for ensuring that the scheme is sufficiently funded to meet current and future obligations.

The group has agreed a funding plan with the trustees, whereby contributions are agreed to be increased at a rate of 10% a year from 2019. Therefore the value of the contributions in 2022 will be £409,790. This recovery plan has been put in place in order to reduce the current deficit of the fund. The agreement was dated 22 March 2017. An additional contribution of £320,000 has been agreed subject to the group being cash positive at its year end.

On 30 April 2002 defined benefits ceased further accruals and all active members at the date became deferred pensioner members.

During the year, the group contributed £730,000 to the scheme. The PPF levy for the 2020/21 tax year was paid directly by the scheme.

A comprehensive actuarial valuation of the group pension scheme was carried out on 31 January 2022 by Broadstone Consultants & Actuaries Limited, independent consulting actuaries.

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

20. Employee benefits *(continued)*

The balance sheet net defined benefit liability is determined as follows:

	2021	2020
	£	£
Present value of defined benefit obligations	(34,500,000)	(37,340,000)
Fair value of plan assets	14,320,000	14,150,000
	<u>(20,180,000)</u>	<u>(23,190,000)</u>

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

	2021
	£
At 1 January 2021	37,340,000
Interest expense	660,000
Benefits paid	(1,470,000)
Remeasurements:	
Actuarial gains and losses	(2,030,000)
At 31 December 2021	<u>34,500,000</u>

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

	2021
	£
At 1 January 2021	14,150,000
Interest income	250,000
Benefits paid	(1,470,000)
Contributions by employer	730,000
Administration expenses	(140,000)
Remeasurements:	
Actuarial gains and losses	800,000
At 31 December 2021	<u>14,320,000</u>

The total costs for the year in relation to defined benefit plans are as follows:

	2021	2020
	£	£
Recognised in profit or loss:		
Net interest expense	<u>410,000</u>	<u>480,000</u>

The total costs for the year recognised in other comprehensive income:

	2021
	£
Actuarial gains and losses - present value of defined benefit obligations	(2,030,000)
Administration expenses	140,000
Actuarial gains and losses - fair value of plan assets	(800,000)
	<u>(2,690,000)</u>

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

20. Employee benefits *(continued)*

The fair value of the major categories of plan assets are as follows:

	2021	2020
	£	£
Equity instruments	8,878,369	7,881,680
Debt instruments	1,460,440	928,845
Property	1,285,823	1,019,107
Cash and cash equivalents	916,152	638,898
Bonds	1,779,216	3,402,530
Currencies	—	278,940
	<u>14,320,000</u>	<u>14,150,000</u>

The return on plan assets are as follows:

	2021	2020
	£	£
Return on assets of benefit plan	<u>1,050,000</u>	<u>340,000</u>

The principal actuarial assumptions as at the balance sheet date were:

	2021	2020
	%	%
Discount rate	2.50	1.80
Inflation assumption	3.40	2.80
Mortality rates:		
Current pensioners at 65 - male	84.70	84.70
Current pensioners at 65 - female	87.10	87.00
Future pensioners at 65 - male	85.30	85.30
Future pensioners at 65 - female	<u>88.00</u>	<u>87.90</u>

21. Government grants

The amounts recognised in the Consolidated financial statements for government grants are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Recognised in creditors:				
Deferred government grants due within one year	12,816	—	—	—
Deferred government grants due after more than one year	64,083	37,904	—	—
	<u>76,899</u>	<u>37,904</u>	<u>—</u>	<u>—</u>
Recognised in other operating income:				
Government grants released to profit or loss	19,342	6,760	—	—

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

22. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial liabilities measured at fair value through profit or loss

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Financial liabilities measured at fair value through profit or loss	<u>20,180,000</u>	<u>23,190,000</u>	<u>—</u>	<u>—</u>

23. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Amounts presented in equity:				
Ordinary shares of £0.10 each	100,000	10,000	100,000	10,000
Ordinary A shares of £0.10 each	1,000,000	100,000	1,000,000	100,000
Redeemable preference ordinary shares of £0.10 each	<u>400,000</u>	<u>40,000</u>	<u>400,000</u>	<u>40,000</u>
	<u>1,500,000</u>	<u>150,000</u>	<u>1,500,000</u>	<u>150,000</u>
Amounts presented in liabilities:				
Preference shares of £1 each	<u>10,500,000</u>	<u>10,500,000</u>	<u>10,500,000</u>	<u>10,500,000</u>

Ordinary Shares of £0.10 each - No restrictions to voting, capital or distributions. Capital to be repaid after preference shares and redeemable preference ordinary shares upon winding up or sale of the company.

Redeemable preference ordinary shares of £0.10 each - No restrictions to voting, capital or distributions. Capital to be repaid second upon winding up or sale of the company.

Ordinary A Shares of £0.10 each - No restrictions to voting, capital or distributions. Capital to be repaid after preference shares and redeemable preference ordinary shares upon winding up or sale of the company.

Preference shares of £1 each - No voting rights unless meeting called for consideration of winding up the company, then the shares will carry one vote. Shares to be redeemed 12 months following the date on which all sums due and payable by the Company under the terms of the Facility Agreement are paid. Capital to be repaid first upon winding up or sale of the company.

24. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Addis Group Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2021

25. Ultimate controlling party

The ultimate controlling party in the opinion of the directors is F.-J. Wulf, who together with his family, hold 95% of the ordinary share capital in Addis Group Limited.

26. Analysis of changes in net debt

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	£	£	£
Cash at bank and in hand	1,699,684	146,601	1,846,285
Debt due within one year	—	(48,321)	(48,321)
	<u>1,699,684</u>	<u>98,280</u>	<u>1,797,964</u>

27. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	596,954	556,050	—	—
Later than 1 year and not later than 5 years	1,291,694	1,523,141	—	—
Later than 5 years	390,614	607,622	—	—
	<u>2,279,262</u>	<u>2,686,813</u>	<u>—</u>	<u>—</u>

28. Related party transactions

Group

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the group was £776,730 (2020: £694,304).

Company

At the year end there was a balance owing to Addis Housewares Limited of £4,286,151 (2020: £4,286,151). The loan is repayable on demand. No interest is charged on the loan as there is a reciprocal agreement in place that Addis Housewares Limited waives its right to any interest on the loan, on the condition that Addis Group Limited does not charge royalties to Addis Housewares Limited.