Company Registration No. [redacted] (England and Wales)

[redacted]

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

[redacted]

COMPANY INFORMATION

Directors	[redacted]
Secretary	[redacted]
Company number	[redacted]
Registered office	[redacted]
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT

[redacted]

CONTENTS

[redacted]

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present the strategic report for the year ended 30 September 2020.

Fair review of the business

[redacted]

The results for the year are set out on page 11 of the financial statements. The Group has managed another successful year of increasing performance.

Our commitment to a multichannel and e-commerce strategy enabled the Group to weather the uncertainty created by the COVID-19 pandemic from March 2020.

With quality product and thanks to our loyal customers we achieved sales growth of £4.7m from £45.1m to £49.8m.

Our gross profit margin of 41.4% (2019- 40.2%) improved and the Group reports operating profits of £4.4m (2019- £3.2m).

The Group will continue with its strategies of investing in its brands, products and local environmentally favourable manufacturing where possible.

Principal risks and uncertainties

The Group operates in a challenging and competitive sector, particularly around service, quality and availability. Failure to pay attention to these factors would result in potentially reduced sales. To mitigate this risk, there is clear focus and a group wide enhanced attitude to meeting customers' expectations.

The Group's margins are subject to exchange rate volatility. The Group manages its foreign currency risk management through a combination of forward and spot contracts, as appropriate.

The Group has put plans in place to protect its supply chain and employees in the event of disruption caused by Brexit. These plans are continually monitored as the political uncertainty continues.

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. Management is actively monitoring the situation and its impact on the Group's financial condition, liquidity and operations. Although there is uncertainty as to the full impact that the pandemic will have on the financial condition, liquidity, and future results of operations of the Group during 2020 the directors are satisfied it has sufficient cash resources to meet its obligations as they fall due throughout this duration and the directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future.

Key performance indicators

The Group monitors all aspects of its business through KPIs - both financial and non-financial.

Financial KPIs measure turnover, profitability and working capital. Non-financial KPIs measure qualitative aspects, including customer satisfaction and quality.

Going concern

COVID-19 became an area of focus in March 2020, when actions were taken to protect employees by developing company protocols for social distancing, working at home, travel to and from affected areas and ensuring self-isolation where appropriate. Since then all staff have been relocated to working from home where appropriate and additional safety measures have been put in place.

The Group has to date seen no demonstrable impact on business performance and cash collections, and the transition to home working has had no noticeable drop off in productivity. The Board are taking actions to ensure that the business can manage through any impacts that it may face as a result of the pandemic.

The Directors have reviewed various potential downside scenarios and their likely impact on the business for the period of twelve months following signing of the financial statements. For planning purposes, the Group frequently updates its view on likely trading patterns, incorporating latest intelligence on demand, cost reduction actions, reduced capital expenditure and the furlough of employees. Importantly these realistic scenarios provide good headroom against the COVID-19 severe framework. At the time of writing this report the Group is trading very significantly ahead of the most severe forecasts at both the sales and profit level. Nevertheless there still remains a risk that the impact of COVID-19 could be more significant than presented in the Group's severe case. In the event that there is a more significant downturn, there are further mitigating actions that could be enacted, these could include but are not limited to reductions in capital expenditure, business expenditure and overheads.

The Group believes that with the stronger than anticipated start to the year and with the on-going government support measures, the cost savings enacted and the potential for further savings, should the impact of COVID-19 be more significant than our most pessimistic current view, the Group has sufficient headroom to continue to operate within available banking facilities.

The Board is satisfied it has sufficient cash resources to meet its obligations as they fall due throughout this duration and the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Future developments

The directors remain confident about the improvement and development of the Group and continue to make significant investment in new product development brands, infrastructure and systems to meet the new challenges ahead.

Promoting the success of the company

This statement by the Board of Directors describes how they have approached their responsibilities under s172 (1)(a) to (f) of the Companies Act 2006 in the financial year ending 30 September 2020.

The Stakeholders of the company include employees, customers and suppliers of the company.

The directors consider they have acted in good faith to promote the success of the company on behalf of its stakeholders, in relation to the matters set out in s172 of the Act.

[redacted]

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors monitor and review strategic objectives against long terms plans. Regular reviews are held across key business areas, including financial performance, risks and opportunities, health & safety, human resources and operations. The company's performance and progress are reviewed regularly at department, senior leadership and Board meetings.

The fundamental overriding principle in the governance of the company is that of ensuring transparent conduct which reflects fairness in all dealings with employees, clients and suppliers. A testament to this is reflected in the staff surveys and length of service of our employees including our senior management team.

The company has a policy of equal opportunities in all aspects of employment. Employees are kept informed of matters of concern to them in a variety of ways, including newsletters, video messages, meetings both virtual and in person and verbal communications. These communications help achieve a common awareness among employees regarding the performance of the company. The company's employees are vital to the success of the company. The directors understand that it is critical to engage with and understand their views and to ensure that all employees' interests are considered. Throughout the company there is consultation at all levels of staff on matters of concern. The consultations evolve to meet the changing needs of the company and are considered valuable by everyone. The policy of the company is to consult and discuss matters with employees and to resolve any problems in accordance with relevant procedures and legislation.

The company is committed to an equal opportunities policy in respect of serving customers and in employing staff. Within this policy, it endeavours to ensure that disabled customers receive the same standards of service as all other customers and that disabled employees and potential employees will be afforded the same treatment and opportunities as all other employees and potential employees.

The company's customers and suppliers are fundamental to the success of the company and as a leading supplier of homecare products it is essential that the company maintains its reputation of providing high quality products. The company strives to continually improve and strengthen its solution delivery and customer offering for the mutual benefit of all stakeholders.

The company has adopted a policy of only dealing with creditworthy counterparties. The directors understand the need for debtor management and so liaises closely with its clients to minimise any risk of non-payment of debts.

The director's intentions are to behave responsibly toward all stakeholders and to treat them fairly and equally to ensure everyone benefits from the long-term success of the company.

Environmental matters are taken into consideration by the directors as part of their decision-making process, in order to minimise the company's impact on the environment wherever possible.

The directors have overall responsibility for determining the company's purpose, values and strategy and for ensuring high standards of governance. The primary aim of the directors is to promote a sustainable success for the long-term of the company, generating value for all stakeholders. Throughout the next financial year the directors will continue to review and challenge how the company can improve its engagement with all stakeholders.

On behalf of the board

[redacted]

Director

Date: 29/06/2021

[redacted]

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their annual report and financial statements for the year ended 30 September 2020.

Principal activities

[redacted]

Results and dividends

The results for the year are set out on page 10. The profit for the year, after taxation, amounted to £3,739,613 (2019 - £2,604,579).

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

[redacted]

Research and development

All the businesses in the Group are committed to research and development, dedicated both to improving the quality of existing products and processes and the design of new ones.

Employee involvement

The Group recognises its obligation towards disabled persons and endeavours to provide as much employment as the demands of the Group's operations and the ability of the persons allow.

The Group is committed to an "open door" policy in the matter of informing and communicating with its employees.

A system of Works Committees is maintained to facilitate the communication with employees and the Group regularly consults with their representatives.

Auditor

UHY Hacker Young Manchester LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon report

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1 October 2019 to 30 September 2020, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

The table below includes total energy consumption (reported as kWh) and greenhouse gas emissions for the sources required by the regulations, along with our intensity ratio.

Energy consumption		**kWh**
Aggregate of energy consumption in the year		7,181,229
Emissions of CO2 equivalent	**Metric tonnes**	**Metric tonnes**
Scope 1 - direct emissions		
- Gas combustion	911,297.00	
- Fuel consumed for owned transport	648,170.00	
		1,559,467.00
Scope 2 - indirect emissions		
- Electricity purchased		518,742.00
Total gross emissions		2,078,209.00
Intensity ratio		
Tonnes CO2e per full-time employee		7093

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per full time employee, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters to monitor kwh usage on a half hourly basis and increased video conferencing technology and working from home, to reduce the need for travel between sites.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Financial risks and uncertainties

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. Each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval.

A monthly review of the trade receivables' ageing analysis is undertaken and customers' credit is reassessed periodically.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Management receives cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Market risk

Market risk arises from the Group's use of foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (currency risk).

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group manages its foreign currency risk management through a combination of forward and spot contracts, as appropriate.

On behalf of the board

[redacted]

Director

Date: 29/06/2021

[redacted]

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF [redacted]

Opinion

We have audited the financial statements of [redacted] Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF [redacted]

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

[redacted]

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF [redacted]

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.

Stephen Grayson FCCA (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young Manchester LLP

29/6/21

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

[redacted]

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	49,765,234	45,103,645
Cost of sales		(29,150,486)	(26,980,778)
Gross profit		20,614,748	18,122,867
Distribution costs		(3,094,512)	(2,972,046)
Administrative expenses		(13,062,457)	(11,996,365)
Other operating (expenses)/income		(14,188)	25,139
Operating profit	4	4,443,591	3,179,595
Interest receivable and similar income	8	12,842	12,102
Interest payable and similar expenses	9	(15,776)	(13,267)
Profit before taxation		4,440,657	3,178,430
Tax on profit	10	(701,044)	(573,851)
Profit for the financial year	20	3,739,613	2,604,579

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

[redacted]

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	2020 £	2019 £
Profit for the year	3,739,613	2,604,579
Other comprehensive income		
Currency translation differences	(16,170)	(150,679)
Actuarial gain/(loss) on defined benefit pension schemes	7,000	(135,000)
Pension surplus not recognised	(7,000)	135,000
Other comprehensive income for the year	(16,170)	(150,679)
Total comprehensive income for the year	3,723,443	2,453,900

Total comprehensive income for the year is all attributable to the owners of the parent company.

[redacted]

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	**11**		5,746,434		5,485,542
Current assets					
Stocks	**14**	8,670,418		9,423,157	
Debtors	**15**	15,400,330		12,193,890	
Cash at bank and in hand		6,544,230		4,015,341	
		30,614,978		25,632,388	
Creditors: amounts falling due within one year	**16**	(10,280,777)		(8,900,003)	
Net current assets			20,334,201		16,732,385
Total assets less current liabilities			26,080,635		22,217,927
Provisions for liabilities					
Deferred tax liability	**17**	384,420		245,155	
			(384,420)		(245,155)
Net assets			25,696,215		21,972,772
Capital and reserves					
Called up share capital	**19**		30,000		30,000
Profit and loss reserves	**20**		25,666,215		21,942,772
Total equity			25,696,215		21,972,772

The financial statements were approved by the board of directors and authorised for issue on 29/06/2021 and are signed on its behalf by:

[redacted]

Director

[redacted]

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	11		4,872,631		4,611,602
Investments	12		24,487		24,487
			4,897,118		4,636,089
Current assets					
Stocks	14	7,366,749		8,033,842	
Debtors	15	18,415,510		15,070,835	
Cash at bank and in hand		6,318,307		3,885,893	
		32,100,566		26,990,570	
Creditors: amounts falling due within one year	16	(8,514,247)		(7,409,445)	
Net current assets			23,586,319		19,581,125
Total assets less current liabilities			28,483,437		24,217,214
Provisions for liabilities					
Deferred tax liability	17	384,420		245,155	
			(384,420)		(245,155)
Net assets			28,099,017		23,972,059
Capital and reserves					
Called up share capital	19		30,000		30,000
Profit and loss reserves	20		28,069,017		23,942,059
Total equity			28,099,017		23,972,059

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £4,126,958 (2019 - £2,800,662 profit).

The financial statements were approved by the board of directors and authorised for issue on 29/06/2021 and are signed on its behalf by:

[redacted]

Director

Company Registration No. [redacted]

[redacted]

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 October 2018	30,000	19,488,872	19,518,872
Year ended 30 September 2019:			
Profit for the year	-	2,604,579	2,604,579
Other comprehensive income:			
Actuarial loss on defined benefit plans	-	(135,000)	(135,000)
Currency translation differences	-	(150,679)	(150,679)
Pension deficit not recognised	-	135,000	135,000
Total comprehensive income for the year	-	2,453,900	2,453,900
Balance at 30 September 2019	30,000	21,942,772	21,972,772
Year ended 30 September 2020:			
Profit for the year	-	3,739,613	3,739,613
Other comprehensive income:			
Actuarial gains on defined benefit plans	-	7,000	7,000
Currency translation differences	-	(16,170)	(16,170)
Pension surplus not recognised	-	(7,000)	(7,000)
Total comprehensive income for the year	-	3,723,443	3,723,443
Balance at 30 September 2020	30,000	25,666,215	25,696,215

[redacted]

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 October 2018	30,000	21,141,397	21,171,397
Year ended 30 September 2019:			
Profit for the year	-	2,800,662	2,800,662
Other comprehensive income:			
Actuarial loss on defined benefit plans	-	(135,000)	(135,000)
Pension deficit not recognised	-	135,000	135,000
Total comprehensive income for the year	-	2,800,662	2,800,662
Balance at 30 September 2019	30,000	23,942,059	23,972,059
Year ended 30 September 2020:			
Profit for the year	-	4,126,958	4,126,958
Other comprehensive income:			
Actuarial gains on defined benefit plans	-	7,000	7,000
Pension surplus not recognised	-	(7,000)	(7,000)
Total comprehensive income for the year	-	4,126,958	4,126,958
Balance at 30 September 2020	30,000	28,069,017	28,099,017

[redacted]

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

		2020		2019	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash generated from operations	**24**		4,610,174		1,166,411
Interest paid			(15,776)		(13,267)
Income taxes paid			(1,157,825)		(261,313)
Net cash inflow from operating activities			3,436,573		891,831
Investing activities					
Purchase of tangible fixed assets		(930,930)		(964,321)	
Proceeds on disposal of tangible fixed assets		10,404		9,650	
Interest received		12,842		12,102	
Net cash used in investing activities			(907,684)		(942,569)
Net increase/(decrease) in cash and cash equivalents			2,528,889		(50,738)
Cash and cash equivalents at beginning of year			4,015,341		4,066,079
Cash and cash equivalents at end of year			6,544,230		4,015,341

[redacted]

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

[redacted] ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is [redacted]

The group consists of [redacted] and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48 (b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Going concern

The directors have considered the current trading position of the business and in particular the impact of COVID-19. Detailed assessments were undertaken of potential downside scenarios over the twelve month period from the date of signing these accounts and based on the outcomes of these scenarios the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Further details of the Directors' assessment of going concern are included in the Strategic Report.

1 Accounting policies (Continued)

1.4 Turnover

Turnover represents amounts receivable for goods and services provided in the UK and overseas net of VAT, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises turnover at the point at which goods are dispatched, as the risk has been transferred at that point and it is probable that future economic benefit will flow to the entity.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold and long leasehold buildings	2.5% per annum
Plant and equipment	20-25% per annum
Fixtures and fittings	20-25% per annum
Motor vehicles	20-25% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

1.7 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset and 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.

1 Accounting policies **(Continued)**

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 group 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 group after deducting all of its liabilities.

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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

1 Accounting policies (Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies (Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

The Group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group.

Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

1.17 Foreign exchange

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

1 Accounting policies **(Continued)**

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

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

Pension assumptions

Key estimates have been made in relation to rates applied to pension assets and liabilities to calculate the ultimate pension asset/liability presented in the financial statements. The key estimates are in relation to inflation, mortality and discount rates applied. A qualified, independent actuary has been employed to assess these rates, however actual returns may vary from the estimated returns, which may cause the final pension asset/liability to differ from what is presented in these financial statements.

Key sources of estimation uncertainty

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.

Stock provision

The carrying value of the Group's inventory is reviewed using commercial judgement with regards to the assessment of the appropriate level of provisioning against inventory obsolescence.

Impairment of trade debtors

Expected future cash flows are applied in measuring impairment of customer receivables, while also considering historical collection rates.

3 Turnover and other revenue

The whole of the turnover is attributable to the one principal activity of the Group.

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

[redacted]

3 Turnover and other revenue **(Continued)**

	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	43,229,441	39,131,492
Europe (including Channel Islands)	4,263,523	4,421,974
Others	2,272,270	1,550,179
	49,765,234	45,103,645

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences	(30,599)	(31,122)
Depreciation of owned tangible fixed assets	662,969	682,481
Profit on disposal of tangible fixed assets	(934)	(2,095)
Operating lease charges	8,000	8,000

5 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	18,000	22,500
For other services		
Taxation compliance services	10,500	15,000

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Production staff	210	219	195	209
Distribution staff	40	42	40	42
Administrative staff	72	59	58	44
Total	322	320	293	295

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	9,226,242	8,474,638	8,139,491	7,483,702
Social security costs	799,228	736,149	567,343	517,941
Pension costs	205,930	203,214	229,446	226,750
	10,231,400	9,414,001	8,936,280	8,228,393

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	102,730	100,766
Company pension contributions to defined contribution schemes	24,000	24,000
	126,730	124,766

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	12,842	12,102

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	15,776	13,267

10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	575,212	464,928
Adjustments in respect of prior periods	(13,433)	791
Total current tax	561,779	465,719

[redacted]

10 Taxation **(Continued)**

	2020	2019
	£	£
Deferred tax		
Origination and reversal of timing differences	110,423	106,448
Changes in tax rates	28,842	-
Adjustment in respect of prior periods	-	1,684
Total deferred tax	139,265	108,132
Total tax charge	701,044	573,851

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	4,440,657	3,178,430
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	843,725	603,902
Tax effect of expenses that are not deductible in determining taxable profit	251	-
Change in unrecognised deferred tax assets	-	44,552
Adjustments in respect of prior years	(13,433)	791
Effect of change in corporation tax rate	(12,860)	-
Group relief	-	3,773
Permanent capital allowances in excess of depreciation	14,162	57,378
Research and development tax credit	(126,686)	(98,690)
Other non-reversing timing differences	-	313
Patent box deduction	(58,278)	(38,168)
Deferred tax not recognised	49,100	-
Other adjustments	5,063	-
Taxation charge	701,044	573,851

Factors that may effect future tax charges

The group has an unrecognised deferred tax asset of £765,907 (2019 - £689,637), company £403,571 (2019 - £362,494) to be offest against future profits.

[redacted]

11 Tangible fixed assets

Group	Freehold and long leasehold buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2019	5,058,006	14,322,320	4,111	883,587	20,268,024
Additions	15,333	884,263	31,334	-	930,930
Disposals	-	-	-	(100,649)	(100,649)
Exchange adjustments	-	2,401	-	-	2,401
At 30 September 2020	5,073,339	15,208,984	35,445	782,938	21,100,706
Depreciation and impairment					
At 1 October 2019	1,920,141	12,160,101	2,428	699,812	14,782,482
Depreciation charged in the year	74,536	540,277	4,567	43,589	662,969
Eliminated in respect of disposals	-	-	-	(91,179)	(91,179)
At 30 September 2020	1,994,677	12,700,378	6,995	652,222	15,354,272
Carrying amount					
At 30 September 2020	3,078,662	2,508,606	28,450	130,716	5,746,434
At 30 September 2019	3,137,865	2,162,219	1,683	183,775	5,485,542

Company	Freehold and long leasehold buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2019	3,970,454	13,484,010	4,111	883,587	18,342,162
Additions	15,333	845,704	31,334	-	892,371
Disposals	-	-	-	(100,649)	(100,649)
At 30 September 2020	3,985,787	14,329,714	35,445	782,938	19,133,884
Depreciation and impairment					
At 1 October 2019	1,633,059	11,395,261	2,428	699,812	13,730,560
Depreciation charged in the year	58,587	515,129	4,567	43,589	621,872
Eliminated in respect of disposals	-	-	-	(91,179)	(91,179)
At 30 September 2020	1,691,646	11,910,390	6,995	652,222	14,261,253
Carrying amount					
At 30 September 2020	2,294,141	2,419,324	28,450	130,716	4,872,631
At 30 September 2019	2,337,395	2,088,749	1,683	183,775	4,611,602

11 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Freehold	2,800,149	2,835,868	2,000,267	2,035,986
Long leasehold	293,874	301,409	293,874	301,409
	3,094,023	3,137,277	2,294,141	2,337,395

12 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	13	-	-	24,487	24,487

Movements in fixed asset investments
Company

	Shares in subsidiaries £
Cost or valuation	
At 1 October 2019 and 30 September 2020	24,487
Carrying amount	
At 30 September 2020	24,487
At 30 September 2019	24,487

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
[redacted]		Property Holdco	Ordinary	100.00	-
		Trading company	Ordinary	100.00	-
		Trading company	Ordinary	-	100.00
		Trading company	Ordinary	-	100.00
		Trading company	Ordinary	-	100.00

13 Subsidiaries (Continued)

The registered office for [redacted]

The registered office for [redacted]

The registered office of [redacted]

The registered office of [redacted]

14 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and consumables	3,861,191	3,111,431	3,387,648	2,665,371
Work in progress	556,230	773,511	485,979	627,711
Finished goods and goods for resale	4,252,997	5,538,215	3,493,122	4,740,760
	8,670,418	9,423,157	7,366,749	8,033,842

An impairment charge of £26,995 (2019 - £11,268) was recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

15 Debtors

Amounts falling due within one year:	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade debtors	12,278,165	10,910,885	11,589,235	9,943,450
Corporation tax recoverable	435,502	-	435,502	-
Amounts owed by group undertakings	-	-	3,803,600	3,918,483
Other debtors	2,398,107	920,175	2,309,890	858,311
Prepayments and accrued income	288,556	362,830	277,283	350,591
	15,400,330	12,193,890	18,415,510	15,070,835

[redacted]

16 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	5,283,816	5,003,453	4,395,588	4,170,950
Corporation tax payable	-	160,544	-	160,544
Other taxation and social security	811,447	893,778	806,952	889,736
Other creditors	1,172,706	466,588	796,529	266,339
Accruals and deferred income	3,012,808	2,375,640	2,515,178	1,921,876
	10,280,777	8,900,003	8,514,247	7,409,445

17 Deferred taxation

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

Group	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	384,420	245,155

Company	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	384,420	245,155

Movements in the year:	Group 2020 £	Company 2020 £
Liability at 1 October 2019	245,155	245,155
Charge to profit or loss	110,423	110,423
Effect of change in tax rate - profit or loss	28,842	28,842
Liability at 30 September 2020	384,420	384,420

18 Retirement benefit schemes

Defined contribution schemes	**2020** £	**2019** £
Charge to profit or loss in respect of defined contribution schemes	205,930	203,214

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £205,930 (2019 - £203,214). Contributions totalling £22,235 (2019 - £11,361) were payable to the fund at the reporting date and are included in creditors.

The Company also operates a small self-administered pension scheme. The charge for the year amounted to £Nil (2019 - £Nil).

Defined benefit scheme - company

The Company operates a defined benefit pension scheme. The latest actuarial valuation was carried out at 30 April 2018 and was updated for the 30 September 2020 year end by a qualified independent actuary.

This scheme provides benefits to its members based on final pensionable pay and to spouses/ dependents in the event of a member's death before or after retirement.

Key assumptions	**2020** %	**2019** %
Liability discount rate	1.5	1.85
Revaluation of deferred pension	2.1	2.3
Rate increase in salaries	0	0
Inflation assumption - RPI	3.0	2.3
Inflation assumption - CPI	2.2	0

Mortality assumptions Assumed life expectations on retirement at age 65:	**2020** Years	**2019** Years
Retiring today		
- Males	86.6	86.5
- Females	88.5	88.4
Retiring in 20 years		
- Males	87.9	87.8
- Females	90.1	89.9

18 Retirement benefit schemes **(Continued)**

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

Company	**2020** £	**2019** £
Present value of defined benefit obligations	5,330,000	5,439,000
Fair value of plan assets	(5,485,000)	(5,570,000)
Surplus in scheme	(155,000)	(131,000)
Restriction on scheme assets	155,000	131,000
Total liability recognised	-	-

Group *Amounts recognised in the profit and loss account*	**2020** £	**2019** £
Net interest on net defined benefit liability/(asset)	(3,000)	(7,000)
Restriction on net interest income credited to the income statement	3,000	7,000
Total costs	-	-

Group *Amounts taken to other comprehensive income*	**2020** £	**2019** £
Actual return on scheme assets	(278,000)	(404,000)
Less: calculated interest element	178,000	149,000
Return on scheme assets excluding interest income	(100,000)	(255,000)
Actuarial changes related to obligations	93,000	390,000
Effect of changes in the amount of surplus that is not recoverable	7,000	(135,000)
Total costs	-	-

[redacted]

18 Retirement benefit schemes **(Continued)**

Movements in the present value of defined benefit obligations	Group 2020 £	Company 2020 £
Liabilities at 1 October 2019	5,439,000	5,439,000
Benefits paid	(377,000)	(377,000)
Actuarial gains and losses	171,000	171,000
Interest cost	97,000	97,000
At 30 September 2020	5,330,000	5,330,000

Movements in the fair value of plan assets	Group 2020 £	Company 2020 £
Fair value of assets at 1 October 2019	5,570,000	5,570,000
Interest income	100,000	100,000
Return on plan assets (excluding amounts included in net interest)	178,000	178,000
Benefits paid	(377,000)	(377,000)
Contributions by the employer	14,000	14,000
At 30 September 2020	5,485,000	5,485,000

The actual return on plan assets was £278,000 (2019 - £399,000).

The total amount recognised in the Consolidated Statement of Comprehensive Income is £Nil (2019 - £Nil).

The total amount recognised in the Consolidated Statement of Comprehensive Income in respect of actuarial gains and losses is £Nil (2019 - £Nil).

The net pension scheme asset of £155,000 (2019 - £131,000) has not been recognised in the Consolidated or Company Statement of Financial Position on the basis that it is not expected to be recovered by the Company.

Fair value of plan assets at the reporting period end

	Group 2020 £	2019 £	Company 2020 £	2019 £
Return seeking	1,886,000	2,403,000	1,886,000	2,403,000
Corporates	997,000	1,005,000	997,000	1,005,000
Cash	-	6,000	-	6,000
Gilts	-	147,000	-	147,000
Annuities	2,602,000	2,009,000	2,602,000	2,009,000
Total market value of assets	5,485,000	5,570,000	5,485,000	5,570,000

The scheme has no investment in the company or in property of the company.

18 Retirement benefit schemes **(Continued)**

19 Share capital

	2020	2019	2020	2019
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	30,000	30,000	30,000	30,000

20 Reserves

The company's reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of shares issued.

Profit and loss account

The profit and loss account represents cumulative profits and losses, net of any dividends and other adjustments.

21 Operating lease commitments

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

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Within one year	8,000	8,000	8,000	8,000
	8,000	8,000	8,000	8,000

22 Related party transactions

The Group has taken advantage of the exemption available under section 33.1A of FRS 102 not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent and are included in the consolidated financial statements.

Fees for consultancy services provided of £2,150,000 (2019 - £1,700,000) were incurred in the year to [redacted] a related party to the Group through common control.

[redacted]

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

23 Controlling party

The Company is controlled by [redacted] was the Parent Company of the Group for the year ended 30 September 2020. No consolidated accounts are required to be prepared for [redacted] and therefore the accounts of [redacted] are the smallest and largest in which the Company's results are consolidated.

24 Cash generated from group operations

	2020	2019
	£	£
Profit for the year after tax	3,739,613	2,604,579
Adjustments for:		
Taxation charged	701,044	573,851
Finance costs	15,776	13,267
Investment income	(12,842)	(12,102)
Gain on disposal of tangible fixed assets	(934)	(2,095)
Depreciation and impairment of tangible fixed assets	662,969	682,481
Foreign exchange	132,111	(164,316)
Movements in working capital:		
Decrease/(increase) in stocks	752,739	(2,118,520)
Increase in debtors	(2,921,618)	(2,991,822)
Increase in creditors	1,541,316	2,581,088
Cash generated from operations	4,610,174	1,166,411

25 Analysis of changes in net funds - group

	1 October 2019	Cash flows	30 September 2020
	£	£	£
Cash at bank and in hand	4,015,341	2,528,889	6,544,230