

**GROUP STRATEGIC REPORT, DIRECTORS' REPORT AND  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021  
FOR  
SUMMIT SYSTEMS LIMITED**

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

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for the year ended 31 July 2021

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**SUMMIT SYSTEMS LIMITED**

**COMPANY INFORMATION**  
for the year ended 31 July 2021

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

**GROUP STRATEGIC REPORT  
for the year ended 31 July 2021**

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The directors present their strategic report of the company and the group for the year ended 31 July 2021.

**REVIEW OF BUSINESS**

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

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

**PRINCIPAL RISKS AND UNCERTAINTIES**

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

**Foreign currency risk**

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

**Credit risk**

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

**Brexit**

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

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

**KEY PERFORMANCE INDICATORS**

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

The group's turnover has increased from £12,036,103 to £14,114,380. Operating profit has increased from £879,722 to £1,201,516 and a profit before tax has been made of £1,175,247 (2020 - £861,458).

**POST BALANCE SHEET POSITION AND SUBSEQUENT EVENTS**

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

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

**ON BEHALF OF THE BOARD:**

M C Jordan - Director

26 April 2022

**DIRECTORS' REPORT**  
**for the year ended 31 July 2021**

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The directors present their report with the financial statements of the company and the group for the year ended 31 July 2021.

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS**

Interim dividends were paid amounting to £647,816 (2020 - £127,321). The directors recommend that no final dividend be paid.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2020 to the date of this report.

M C Jordan  
I Lowe

Other changes in directors holding office are as follows:

M Ross - appointed 1 November 2020

C A Walters ceased to be a director after 31 July 2021 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

M C Jordan - Director

26 April 2022

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUMMIT SYSTEMS LIMITED

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### **Opinion**

We have audited the financial statements of Summit Systems Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 July 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

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

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUMMIT SYSTEMS LIMITED

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

### **Responsibilities of directors**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the industry, we have identified that the principal risks of non-compliance with laws and regulations related to UK Tax and legislation and breaches of health and safety, and we have considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates. Audit procedures performed included:

- Enquiries with management for consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Challenging assumptions made by management in their accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. The more removed non-compliance with laws and regulations is, from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by forgery or intentional misrepresentation, for example, or through collusion

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SUMMIT SYSTEMS LIMITED**

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**Use of our report**

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

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

26 April 2022

**CONSOLIDATED  
INCOME STATEMENT**  
for the year ended 31 July 2021

	Notes	2021 £	2020 £
<b>TURNOVER</b>	4	<b>14,114,380</b>	12,036,103
Cost of sales		<u>(9,938,683)</u>	<u>(8,763,819)</u>
<b>GROSS PROFIT</b>		<b>4,175,697</b>	3,272,284
Distribution costs		<u>(25,171)</u>	<u>(27,239)</u>
Administrative expenses		<u>(3,033,966)</u>	<u>(2,569,709)</u>
		<b>1,116,560</b>	675,336
Other operating income	5	<u>84,956</u>	204,386
<b>OPERATING PROFIT</b>	7	<b>1,201,516</b>	879,722
Interest receivable and similar income	8	<u>2,025</u>	1,895
		<b>1,203,541</b>	881,617
Interest payable and similar expenses	9	<u>(28,294)</u>	<u>(20,159)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>1,175,247</b>	861,458
Tax on profit	10	<u>(9,000)</u>	216,970
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,166,247</b>	1,078,428
Profit attributable to: Owners of the parent		<u>1,166,247</u>	<u>1,078,428</u>

**CONSOLIDATED  
OTHER COMPREHENSIVE INCOME**  
for the year ended 31 July 2021

	Notes	2021 £	2020 £
<b>PROFIT FOR THE YEAR</b>		1,166,247	1,078,428
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,166,247</u>	<u>1,078,428</u>
Prior year adjustment			194,249
<b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b>			<u>1,272,677</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,166,247</u>	<u>1,272,677</u>

## CONSOLIDATED BALANCE SHEET

31 July 2021

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Intangible assets	13	192,793	206,317
Tangible assets	14	620,739	468,419
Investments	15	-	-
		<u>813,532</u>	<u>674,736</u>
<b>CURRENT ASSETS</b>			
Stocks	16	1,474,796	1,808,656
Debtors	17	3,982,621	3,124,881
Investments	18	19,569	19,569
Cash at bank and in hand		1,708,527	1,802,949
		<u>7,185,513</u>	<u>6,756,055</u>
<b>CREDITORS</b>			
Amounts falling due within one year	19	(4,789,655)	(4,692,548)
<b>NET CURRENT ASSETS</b>		<u>2,395,858</u>	<u>2,063,507</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,209,390</b>	<b>2,738,243</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	20	(96,431)	(152,715)
<b>PROVISIONS FOR LIABILITIES</b>	24	<u>(45,500)</u>	<u>(36,500)</u>
<b>NET ASSETS</b>		<u><b>3,067,459</b></u>	<u><b>2,549,028</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	25	21,055	21,055
Retained earnings	26	3,046,404	2,527,973
<b>SHAREHOLDERS' FUNDS</b>		<u><b>3,067,459</b></u>	<u><b>2,549,028</b></u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2022 and were signed on its behalf by:

M C Jordan - Director

## COMPANY BALANCE SHEET

31 July 2021

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Intangible assets	13	-	-
Tangible assets	14	620,738	468,418
Investments	15	360,019	348,785
		<u>980,757</u>	<u>817,203</u>
<b>CURRENT ASSETS</b>			
Stocks	16	1,468,096	1,803,098
Debtors	17	3,816,399	2,900,286
Investments	18	19,569	19,569
Cash in hand		1,265,439	1,436,079
		<u>6,569,503</u>	<u>6,159,032</u>
<b>CREDITORS</b>			
Amounts falling due within one year	19	(4,526,661)	(4,291,513)
<b>NET CURRENT ASSETS</b>		<u>2,042,842</u>	<u>1,867,519</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,023,599</b>	<b>2,684,722</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	20	(96,431)	(152,715)
<b>PROVISIONS FOR LIABILITIES</b>	24	<u>(45,500)</u>	<u>(36,500)</u>
<b>NET ASSETS</b>		<u>2,881,668</u>	<u>2,495,507</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	25	21,055	21,055
Retained earnings	26	2,860,613	2,474,452
<b>SHAREHOLDERS' FUNDS</b>		<u>2,881,668</u>	<u>2,495,507</u>
Company's profit for the financial year		<u>1,033,977</u>	<u>1,023,757</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2022 and were signed on its behalf by:

M C Jordan - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 July 2021

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 August 2019</b>	21,053	1,382,617	1,403,670
Prior year adjustment	-	194,249	194,249
As restated	<u>21,053</u>	<u>1,576,866</u>	<u>1,597,919</u>
<b>Changes in equity</b>			
Issue of share capital	2	-	2
Dividends	-	(127,321)	(127,321)
Total comprehensive income	-	1,078,428	1,078,428
<b>Balance at 31 July 2020</b>	<u>21,055</u>	<u>2,527,973</u>	<u>2,549,028</u>
<b>Changes in equity</b>			
Dividends	-	(647,816)	(647,816)
Total comprehensive income	-	1,166,247	1,166,247
<b>Balance at 31 July 2021</b>	<u><u>21,055</u></u>	<u><u>3,046,404</u></u>	<u><u>3,067,459</u></u>

COMPANY STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 July 2021

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 August 2019</b>	21,053	1,383,767	1,404,820
Prior year adjustment	-	194,249	194,249
As restated	21,053	1,578,016	1,599,069
<b>Changes in equity</b>			
Issue of share capital	2	-	2
Dividends	-	(127,321)	(127,321)
Total comprehensive income	-	1,023,757	1,023,757
<b>Balance at 31 July 2020</b>	21,055	2,474,452	2,495,507
<b>Changes in equity</b>			
Dividends	-	(647,816)	(647,816)
Total comprehensive income	-	1,033,977	1,033,977
<b>Balance at 31 July 2021</b>	21,055	2,860,613	2,881,668

**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 July 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,085,452	1,314,589
Interest paid		(11,771)	(5,665)
Interest element of hire purchase payments paid		(16,523)	(14,494)
Tax paid		(168,356)	219,601
Net cash from operating activities		<u>888,802</u>	<u>1,514,031</u>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiary		(11,234)	-
Purchase of tangible fixed assets		(445,999)	(161,715)
Sale of tangible fixed assets		154,700	20,100
Interest received		2,025	1,895
Net cash from investing activities		<u>(300,508)</u>	<u>(139,720)</u>
<b>Cash flows from financing activities</b>			
New loans in year		854,746	-
Loan repayments in year		(206,567)	-
Hire purchase repayments in year		(84,830)	(14,714)
Amount introduced by directors		-	35,312
Amount withdrawn by directors		(605,225)	-
Share issue		-	2
Equity dividends paid		(647,816)	(127,321)
Net cash from financing activities		<u>(689,692)</u>	<u>(106,721)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(101,398)</u>	<u>1,267,590</u>
<b>Cash and cash equivalents at beginning of year</b>	2	1,802,949	535,359
<b>Cash and cash equivalents at end of year</b>	2	<u>1,701,551</u>	<u>1,802,949</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 July 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS			
	2021	2020	
	£	£	
Profit before taxation	1,175,247	861,458	
Depreciation charges	222,909	225,827	
Profit on disposal of fixed assets	(59,172)	(5,666)	
Finance costs	28,294	20,159	
Finance income	(2,025)	(1,895)	
	<u>1,365,253</u>	<u>1,099,883</u>	
Decrease/(increase) in stocks	333,860	(85,549)	
Increase in trade and other debtors	(166,640)	(495,712)	
(Decrease)/increase in trade and other creditors	(447,021)	795,967	
<b>Cash generated from operations</b>	<u><b>1,085,452</b></u>	<u><b>1,314,589</b></u>	

  

2. CASH AND CASH EQUIVALENTS			
The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:			
<b>Year ended 31 July 2021</b>			
	31/7/21	1/8/20	
	£	£	
Cash and cash equivalents	1,708,527	1,802,949	
Bank overdrafts	(6,976)	-	
	<u>1,701,551</u>	<u>1,802,949</u>	
<b>Year ended 31 July 2020</b>			
	31/7/20	1/8/19	
	£	£	
Cash and cash equivalents	1,802,949	535,359	

  

3. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1/8/20	Cash flow	At 31/7/21
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	1,802,949	(94,422)	1,708,527
Bank overdrafts	-	(6,976)	(6,976)
	<u>1,802,949</u>	<u>(101,398)</u>	<u>1,701,551</u>
<b>Liquid resources</b>			
Current asset investments	19,569	-	19,569
	<u>19,569</u>	<u>-</u>	<u>19,569</u>
<b>Debt</b>			
Finance leases	(291,549)	84,829	(206,720)
Debts falling due within 1 year	-	(648,178)	(648,178)
	<u>(291,549)</u>	<u>(563,349)</u>	<u>(854,898)</u>
<b>Total</b>	<u><b>1,530,969</b></u>	<u><b>(664,747)</b></u>	<u><b>866,222</b></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended 31 July 2021

1. **STATUTORY INFORMATION**

Summit Systems Limited is a private group, limited by shares, registered in England and Wales. The company's registered number is 02598183 and the registered office address is Unit F, Tame Park Vanguard, Wilnecote, Tamworth, Staffordshire, B77 5DY.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

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

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

**Going concern**

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

**Turnover**

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

**Rendering of services**

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

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

**Rendering of goods**

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

**Goodwill**

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

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

**Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

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2. ACCOUNTING POLICIES - continued

**Government grants**

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

**Stocks**

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

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

**Financial instruments**

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

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

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

**Basic financial assets**

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

**Impairment of financial assets**

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

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

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

**Derecognition of financial assets**

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

**Classification of financial liabilities**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

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2. **ACCOUNTING POLICIES - continued**

**Basic financial liabilities**

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

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

**Derecognition of financial liabilities**

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

**Cash and cash equivalents**

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

**Taxation**

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

**Current tax**

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

**Research and development**

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

**Foreign currencies**

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

**Leases**

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

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

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

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

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

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

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

**Employee benefits**

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

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

**(i) Useful economic lives of tangible assets**

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

**(ii) Stock provisioning**

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

4. TURNOVER

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

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

	2021	2020
	£	£
Handling equipment sales	11,938,313	9,635,520
Rentals	69,977	94,334
Recyclate	343,240	685,350
Chilled	1,762,850	1,620,899
	<u>14,114,380</u>	<u>12,036,103</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

4. **TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	14,002,051	11,965,212
Europe	102,173	63,332
United States of America	10,156	7,559
	<u>14,114,380</u>	<u>12,036,103</u>

5. **OTHER OPERATING INCOME**

	2021	2020
	£	£
Rents received	71,307	44,776
Sundry receipts	2,405	497
Covid support grants	11,244	159,113
	<u>84,956</u>	<u>204,386</u>

6. **EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	2,219,335	1,948,662
Social security costs	243,577	220,746
Other pension costs	195,237	184,612
	<u>2,658,149</u>	<u>2,354,020</u>

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

	2021	2020
External sales	8	8
Service	12	10
Technical	7	7
Operations	1	7
Administration	8	6
Marketing	8	1
Internal Sales	4	5
Fabrications	5	4
Chilled	5	5
Directors	4	3
	<u>62</u>	<u>56</u>

	2021	2020
	£	£
Directors' remuneration	372,629	191,755
Directors' pension contributions to money purchase schemes	41,629	22,857

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

Money purchase schemes	<u>2</u>	<u>2</u>
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

6. **EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director for the year ended 31 July 2021 is as follows:

	2021 £
Emoluments etc	<u>130,226</u>

7. **OPERATING PROFIT**

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

	2021 £	2020 £
Hire of plant and machinery	33,198	52,592
Other operating leases	173,542	199,344
Depreciation - owned assets	104,648	83,536
Depreciation - assets on hire purchase contracts	93,503	117,532
Profit on disposal of fixed assets	(59,172)	(5,666)
Goodwill amortisation	24,758	24,758
Auditors' remuneration	14,050	12,500
Foreign exchange differences	<u>(4,136)</u>	<u>30,934</u>

8. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2021 £	2020 £
Interest received	<u>2,025</u>	<u>1,895</u>

9. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021 £	2020 £
Bank interest payable	4,619	-
Non bank interest on loans	7,152	5,665
Hire purchase interest payable	16,523	14,494
	<u>28,294</u>	<u>20,159</u>

10. **TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	-	13,955
Adjustment to prior years	-	(207,365)
Total current tax	-	<u>(193,410)</u>
Deferred tax	<u>9,000</u>	<u>(23,560)</u>
Tax on profit	<u>9,000</u>	<u>(216,970)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

## 10. TAXATION - continued

**Reconciliation of total tax charge/(credit) included in profit and loss**

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

	2021 £	2020 £
Profit before tax	<u>1,175,247</u>	<u>861,458</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	223,297	163,677
Effects of:		
Expenses not deductible for tax purposes	49,863	2,222
Income not taxable for tax purposes	(11,433)	(1,340)
Depreciation in excess of capital allowances	11,491	2,442
Utilisation of tax losses	(122,340)	-
Adjustments to tax charge in respect of previous periods	-	(207,365)
Unused tax losses	-	51,508
Qualifying research and development	(141,878)	(228,114)
Total tax charge/(credit)	<u>9,000</u>	<u>(216,970)</u>

## 11. INDIVIDUAL INCOME STATEMENT

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

## 12. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each Interim	<u>647,816</u>	<u>127,321</u>

## 13. INTANGIBLE FIXED ASSETS

**Group****COST**

	<b>Goodwill £</b>
At 1 August 2020	247,580
Additions	11,234
At 31 July 2021	<u>258,814</u>

**AMORTISATION**

At 1 August 2020	41,263
Amortisation for year	24,758
At 31 July 2021	<u>66,021</u>

**NET BOOK VALUE**

At 31 July 2021	<u>192,793</u>
At 31 July 2020	<u>206,317</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

## 14. TANGIBLE FIXED ASSETS

Group	Plant and computer equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 August 2020	757,497	360,726	638,504	1,756,727
Additions	28,395	14,878	402,726	445,999
Disposals	-	-	(308,802)	(308,802)
At 31 July 2021	<u>785,892</u>	<u>375,604</u>	<u>732,428</u>	<u>1,893,924</u>
<b>DEPRECIATION</b>				
At 1 August 2020	707,324	293,448	287,536	1,288,308
Charge for year	20,989	9,954	167,208	198,151
Eliminated on disposal	-	-	(213,274)	(213,274)
At 31 July 2021	<u>728,313</u>	<u>303,402</u>	<u>241,470</u>	<u>1,273,185</u>
<b>NET BOOK VALUE</b>				
At 31 July 2021	<u>57,579</u>	<u>72,202</u>	<u>490,958</u>	<u>620,739</u>
At 31 July 2020	<u>50,173</u>	<u>67,278</u>	<u>350,968</u>	<u>468,419</u>

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

	2021 £	2020 £
Motor vehicles	<u>260,091</u>	<u>335,908</u>
Depreciation charge for the year in respect of leased assets	<u>93,503</u>	<u>117,532</u>

Company	Plant and computer equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 August 2020	757,497	360,726	638,504	1,756,727
Additions	28,395	14,878	402,726	445,999
Disposals	-	-	(308,802)	(308,802)
At 31 July 2021	<u>785,892</u>	<u>375,604</u>	<u>732,428</u>	<u>1,893,924</u>
<b>DEPRECIATION</b>				
At 1 August 2020	707,324	293,449	287,536	1,288,309
Charge for year	20,989	9,954	167,208	198,151
Eliminated on disposal	-	-	(213,274)	(213,274)
At 31 July 2021	<u>728,313</u>	<u>303,403</u>	<u>241,470</u>	<u>1,273,186</u>
<b>NET BOOK VALUE</b>				
At 31 July 2021	<u>57,579</u>	<u>72,201</u>	<u>490,958</u>	<u>620,738</u>
At 31 July 2020	<u>50,173</u>	<u>67,277</u>	<u>350,968</u>	<u>468,418</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

14. **TANGIBLE FIXED ASSETS - continued**

**Company**

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

	<b>2021</b>	2020
	£	£
Motor vehicles	<u>260,091</u>	<u>335,908</u>
Depreciation charge for the year in respect of leased assets	<u>93,503</u>	<u>117,532</u>

15. **FIXED ASSET INVESTMENTS**

**Company**

	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1 August 2020	348,785
Additions	<u>11,234</u>
At 31 July 2021	<u>360,019</u>
<b>NET BOOK VALUE</b>	
At 31 July 2021	<u>360,019</u>
At 31 July 2020	<u>348,785</u>

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

**Subsidiary**

**Total Process Cooling Limited**

Registered office: Tamworth, B77 5DY

Nature of business: Supply and installation of cooling equipment

Class of shares:	%
Ordinary	holding 100.00

16. **STOCKS**

	<b>Group</b>		<b>Company</b>	
	2021	2020	2021	2020
	£	£	£	£
Finished goods	<u>1,474,796</u>	<u>1,808,656</u>	<u>1,468,096</u>	<u>1,803,098</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	2,469,604	2,300,253	2,256,022	2,090,734
Other debtors	579,645	558,144	579,645	558,144
Amount due from group undertakings	30,000	-	77,360	48,629
Directors' loan accounts	569,695	-	569,695	-
Tax	121,405	-	121,405	-
Prepayments and accrued income	212,272	266,484	212,272	202,779
	<u>3,982,621</u>	<u>3,124,881</u>	<u>3,816,399</u>	<u>2,900,286</u>

18. CURRENT ASSET INVESTMENTS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other investments	<u>19,569</u>	<u>19,569</u>	<u>19,569</u>	<u>19,569</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 21)	300,409	-	293,433	-
Other loans (see note 21)	354,745	-	354,745	-
Hire purchase contracts (see note 22)	110,289	138,834	110,289	138,834
Trade creditors	1,487,758	2,217,320	1,348,437	1,890,399
Corporation tax	-	46,951	-	32,996
Social security and other taxes	233,956	555,304	197,003	500,145
Other creditors	1,148,498	633,926	1,082,850	633,926
Directors' loan accounts	-	35,530	-	35,530
Accrued expenses	1,147,000	1,056,683	1,132,904	1,051,683
Deferred government grants	7,000	8,000	7,000	8,000
	<u>4,789,655</u>	<u>4,692,548</u>	<u>4,526,661</u>	<u>4,291,513</u>

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Hire purchase contracts (see note 22)	<u>96,431</u>	<u>152,715</u>	<u>96,431</u>	<u>152,715</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

21. **LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:				
Bank overdrafts	<b>6,976</b>	-	-	-
Bank loans	<b>293,433</b>	-	<b>293,433</b>	-
Other loans	<b>354,745</b>	-	<b>354,745</b>	-
	<b><u>655,154</u></b>	<b><u>-</u></b>	<b><u>648,178</u></b>	<b><u>-</u></b>

22. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>110,289</b>	138,834
Between one and five years	<b>96,431</b>	152,715
	<b><u>206,720</u></b>	<b><u>291,549</u></b>

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

**Company**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>110,289</b>	138,834
Between one and five years	<b>96,431</b>	152,715
	<b><u>206,720</u></b>	<b><u>291,549</u></b>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

22. LEASING AGREEMENTS - continued

**Group**

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	148,533	152,130
Between one and five years	239,944	382,440
	<u>388,477</u>	<u>534,570</u>

**Company**

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	148,533	149,365
Between one and five years	239,944	382,440
	<u>388,477</u>	<u>531,805</u>

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

23. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Hire purchase contracts	<u>206,720</u>	<u>291,549</u>	<u>206,720</u>	<u>291,549</u>

The hire purchase contracts are secured on the assets concerned.

24. PROVISIONS FOR LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax	<u>45,500</u>	<u>36,500</u>	<u>45,500</u>	<u>36,500</u>

**Group**

	Deferred tax
	£
Balance at 1 August 2020	36,500
Provided during year	9,000
Balance at 31 July 2021	<u>45,500</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2021

24. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £
Balance at 1 August 2020	36,500
Charge to Statement of Comprehensive Income during year	9,000
Balance at 31 July 2021	<u>45,500</u>

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

25. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2021 £	2020 £
21,055	Ordinary		<u>21,055</u>	<u>21,055</u>

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

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

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

26. RESERVES

Retained earnings

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

27. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £195,237 (2020 - £184,612) were paid in the year in respect of the defined contribution scheme.

28. OTHER FINANCIAL COMMITMENTS

At the year end the company had a financial commitment to purchase forward exchange contracts of €32,620 which was the equivalent of £27,817.

29. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 July 2021 and 31 July 2020:

	2021 £	2020 £
<b>M C Jordan</b>		
Balance outstanding at start of year	(35,530)	(218)
Amounts advanced	829,793	135,828
Amounts repaid	(224,568)	(171,140)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>569,695</u>	<u>(35,530)</u>

29. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

Dividends totalling £315,316 (2020 - £102,316) were paid in the year in respect of shares held by the company's directors.

30. **RELATED PARTY DISCLOSURES**

Key management personnel consists solely of the directors.

31. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is M C Jordan.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.