

Grinterley Limited

Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2020

Blue Spire Limited
Chartered Accountants and Statutory Auditors
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Grinterley Limited

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Grinterley Limited

Company Information

Directors	C Avery R Jeffery D Pritchard D Yellop N Yellop
Registered office	Cawley Priors South Pallant Chichester PO19 1SY
Auditors	Blue Spire Limited Chartered Accountants and Statutory Auditors Cawley Priors South Pallant Chichester West Sussex PO19 1SY

Grinterley Limited

Strategic Report for the Year Ended 31 December 2020

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

Principal activity

The principal activity of the Company is that of a management company supplying administrative and financial services to its subsidiary.

Fair review of the business:

Grinterley Limited

2020 was a good trading year for Grinterley Limited and its subsidiary company Hambleside Danelaw Limited.

The consolidated results show continuing growth in profitability with a steady reduction in borrowings and a strengthening of the Group's net asset base.

The Covid pandemic did effect trading activities during the year and this explains the reduction in the turnover level for the year when compared to 2019.

Hambleside Danelaw Limited - Fair review of Subsidiary's business

In line with most other UK business activity, Covid disrupted trading activities. The greatest period of this disruption occurred during April and May 2020 with those two months accounting for the reduction in the Company's overall turnover for the year.

The Government's furlough grant assisted the Company during the period that employees were furloughed. The Company continued to meet its full obligations to those furloughed employees in respect of their full remuneration, pension and allied costs and no Covid related redundancies were required. Other than for the deferral of the VAT quarter payment ending 31st March 2020, the Company did not require further Government support.

The eventual Brexit political settlement brought a degree of clarity, but there still remains a level of concern about the supply chain and in particular the rising cost and availability of raw materials. Those costs were increasing ahead of the Company's financial year end and contributed towards the marginal reduction in the 2020 gross margin when compared to the level achieved in 2019.

The Company's financial position has continued to strengthen and that is clearly demonstrated by the reduction of £1.6 million in its current loan and borrowings levels over the year; this trend is expected to continue through 2021.

Associated companies - 2020 share transactions

At the end of December, the following share transactions occurred: -

- a) The Company agreed to purchase back 2836 £0.50p Fixed Ordinary shares and 2836 £0.50 Growth Ordinary Shares from Hambleside Limited. Together these shares represented just 1.4% of the total issued share capital of the Company with a combined par value of £2836. These shares were then cancelled, thereby reducing the issued par value of the capital of the Company from £200,000 to £197,164.
- b) The Company agreed to sell to Hambleside Holdings Limited the 150,000 £1 B class shares it held in Hambleside Limited; these shares were originally acquired in October 2015.
- c) The Company agreed to sell back the 10,120 £1 shares it held in Hambleside Holdings Limited to Hambleside Holdings Limited.

As a result of these share transactions there are now no shareholding links between Grinterley Limited and Hambleside Holdings Limited or its subsidiary Hambleside Limited.

The Company's primary role now is the provision of management services to Hambleside Danelaw Limited and whose activities only relate to the building and construction industry.

Associated companies - debt

At the end of December 2020, the Company wrote off a proportion of the debt owed by the associated Company, Hambleside Limited.

This debt related to financial assistance provided by Grinterley to Hambleside Limited during the years 2015 and 2016. Hambleside's trading activity is the supply of raw materials and equipment to Nigerian based printing and publishing companies. The Covid pandemic and recession badly affected the Nigerian economy with a continuing devaluation of the Naira against the USD and GBP and a shortage of foreign exchange. Hambleside is not expecting to be able to recover the full debtor amount due to it from the Nigerian customers and it has made specific provisions for this debt within its 2020 financial statements.

Consequently, it is considered that Hambleside will not be able to repay its total debt liability to Grinterley. The reduced debt is now at £250,000. The Company's directors will keep this situation under review.

Dividend

The dividend paid by the Company to its shareholders in 2020 was £200,000 (2019: £250,000).

The Group's Financial summary

Turnover: The consolidated turnover for the year was £13,226,902 (2019: £14,085,262).

Operating Profit: The consolidated operating profit for the year was £949,146 (2019: £1,215,596)

Net Profit: The Consolidated net profit for the year was £888,517 (2019: £ 1,125,477).

Grinterley Limited

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Principal risks and uncertainties

The UK building industry remains buoyant and the vaccine programme for Covid should reduce the risk of further national lockdowns. There are however, some concerns about both raw material supplies and their increasing costs. Overall, the Group is in a good financial position and is looking forward to continued growth in 2021.

Approved by the Board on 24 May 2021 and signed on its behalf by:

.....
R Jeffery
Director

Grinterley Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the for the year ended 31 December 2020.

Directors of the group

The directors who held office during the year were as follows:

C Avery

R Jeffery

D Pritchard

D Yellop

N Yellop

Financial instruments

Objectives and policies

The directors have reviewed the financial risk management objectives and policies of the company. They do not believe there to be significant risks in this area. The company does not enter into any hedging instruments as there are not believed to be any material exposures. It does not enter into any financial instruments for speculative purposes.

Price risk, credit risk, liquidity risk and cash flow risk

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms, the relationships with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity with which the directors assess the ongoing cash commitments of the company as part of a strict cash flow management programme.

Research and development

The directors continue to support the companies research and development activities.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 24 May 2021 and signed on its behalf by:

.....
R Jeffery
Director

Grinterley Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and in accordance with FRS 102 The Financial Reporting Standard. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Grinterley Limited

Independent Auditor's Report to the Members of Grinterley Limited

Opinion

We have audited the financial statements of Grinterley Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 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 the parent company's affairs as at 31 December 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 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 director's 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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Grinterley Limited

Independent Auditor's Report to the Members of Grinterley Limited

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 Statement of Directors' Responsibilities set out on page 5, 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 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.

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.

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

Grinterley Limited

Independent Auditor's Report to the Members of Grinterley Limited

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Carry out a review of meeting minutes for detection of any non-compliance;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of any significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

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

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.

.....
James O'Rourke FCA (Senior Statutory Auditor)

For and on behalf of Blue Spire Limited, Statutory Auditor

Cawley Priory

South Pallant

Chichester

West Sussex

PO19 1SY

24 May 2021

Grinterley Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	<u>3</u>	13,226,902	14,085,262
Cost of sales		<u>(8,103,502)</u>	<u>(8,466,496)</u>
Gross profit		5,123,400	5,618,766
Administrative expenses		(4,606,297)	(4,407,116)
Other operating income		<u>432,043</u>	<u>3,946</u>
Operating profit	<u>5</u>	<u>949,146</u>	<u>1,215,596</u>
Other interest receivable and similar income		198	300
Interest payable and similar charges	<u>6</u>	<u>(60,827)</u>	<u>(90,419)</u>
		<u>(60,629)</u>	<u>(90,119)</u>
Profit before tax		888,517	1,125,477
Taxation	<u>10</u>	<u>(180,664)</u>	<u>(178,541)</u>
Profit for the financial year		<u>707,853</u>	<u>946,936</u>
Profit/(loss) attributable to:			
Owners of the company		<u>707,853</u>	<u>946,936</u>

The group has no recognised gains or losses for the year other than the results above.

Grinterley Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020 £	2019 £
Profit for the year	<u>707,853</u>	<u>946,936</u>
Total comprehensive income for the year	<u><u>707,853</u></u>	<u><u>946,936</u></u>
Total comprehensive income attributable to:		
Owners of the company	<u><u>707,853</u></u>	<u><u>946,936</u></u>

Grinterley Limited

(Registration number: 01680736)

Consolidated Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Tangible assets	<u>12</u>	3,449,795	3,560,381
Investments	<u>13</u>	-	100
Other financial assets	<u>11</u>	-	156,476
		<u>3,449,795</u>	<u>3,716,957</u>
Current assets			
Stocks	<u>15</u>	1,634,830	1,855,721
Debtors	<u>16</u>	3,629,814	3,792,368
Cash at bank and in hand		468,263	277,661
		5,732,907	5,925,750
Creditors: Amounts falling due within one year	<u>17</u>	(4,820,658)	(5,424,170)
Net current assets		<u>912,249</u>	<u>501,580</u>
Total assets less current liabilities		4,362,044	4,218,537
Creditors: Amounts falling due after more than one year	<u>17</u>	(57,483)	(326,302)
Provisions for liabilities	<u>18</u>	(453,443)	(430,870)
Net assets		<u>3,851,118</u>	<u>3,461,365</u>
Capital and reserves			
Called up share capital		197,164	200,000
Revaluation reserve		182,227	182,227
Other reserves		127,617	127,717
Profit and loss account		3,344,110	2,951,421
Equity attributable to owners of the company		<u>3,851,118</u>	<u>3,461,365</u>
Total equity		<u>3,851,118</u>	<u>3,461,365</u>

Approved and authorised by the Board on 24 May 2021 and signed on its behalf by:

.....
R Jeffery
Director

Grinterley Limited

(Registration number: 01680736) Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Other financial assets	<u>11</u>	-	156,376
Investments	<u>13, 14</u>	445,588	445,688
Current assets			
Debtors	<u>16</u>	258,800	598,956
Cash at bank and in hand		66,390	22,571
		325,190	621,527
Creditors: Amounts falling due within one year	<u>17</u>	(107,952)	(410,839)
Net current assets		217,238	210,688
Net assets		662,826	812,752
Capital and reserves			
Called up share capital	<u>20</u>	197,164	200,000
Revaluation reserve		309,844	309,844
Profit and loss account		155,818	302,908
Total equity		662,826	812,752

The company made a profit after tax for the financial year of £168,074 (2019 - profit of £332,235).

Approved and authorised by the Board on 24 May 2021 and signed on its behalf by:

.....

R Jeffery
Director

Grinterley Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020 Equity attributable to the parent company

	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £
At 1 January 2020	200,000	182,227	127,717	2,951,421
Profit for the year	-	-	-	707,853
Total comprehensive income	-	-	-	707,853
Dividends	-	-	-	(200,000)
Purchase of own share capital	(2,836)	-	-	(115,164)
Other capital redemption reserve movements	-	-	(100)	-
At 31 December 2020	197,164	182,227	127,617	3,344,110
			Total £	Total equity £
At 1 January 2020			3,461,365	3,461,365
Profit for the year			707,853	707,853
Total comprehensive income			707,853	707,853
Dividends			(200,000)	(200,000)
Purchase of own share capital			(118,000)	(118,000)
Other capital redemption reserve movements			(100)	(100)
At 31 December 2020			3,851,118	3,851,118
	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £
At 1 January 2019	200,000	182,227	127,717	2,254,485
Profit for the year	-	-	-	946,936
Total comprehensive income	-	-	-	946,936
Dividends	-	-	-	(250,000)
At 31 December 2019	200,000	182,227	127,717	2,951,421
			Total £	Total equity £
At 1 January 2019			2,764,429	2,764,429
Profit for the year			946,936	946,936
Total comprehensive income			946,936	946,936
Dividends			(250,000)	(250,000)
At 31 December 2019			3,461,365	3,461,365

Grinterley Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2020	200,000	309,844	302,908	812,752
Profit for the year	-	-	168,074	168,074
Total comprehensive income	-	-	168,074	168,074
Dividends	-	-	(200,000)	(200,000)
Purchase of own share capital	(2,836)	-	(115,164)	(118,000)
At 31 December 2020	197,164	309,844	155,818	662,826

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2019	200,000	309,844	220,673	730,517
Profit for the year	-	-	332,235	332,235
Total comprehensive income	-	-	332,235	332,235
Dividends	-	-	(250,000)	(250,000)
At 31 December 2019	200,000	309,844	302,908	812,752

Grinterley Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		707,853	946,936
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	304,628	299,704
Unwinding of stamp duty		4,180	-
Loss from disposals of investments	<u>4</u>	9,803	-
Finance income		(198)	(300)
Finance costs	<u>6</u>	60,827	90,419
Income tax expense	<u>10</u>	180,664	178,541
		1,267,757	1,515,300
Working capital adjustments			
Decrease/(increase) in stocks	<u>15</u>	220,891	(199,249)
Decrease/(increase) in trade debtors	<u>16</u>	162,554	(595,842)
Increase in trade creditors	<u>17</u>	993,918	141,086
Increase in provisions	<u>18</u>	10,000	-
Cash generated from operations		2,655,120	861,295
Income taxes (paid)/received	<u>10</u>	(163,824)	18,196
Net cash flow from operating activities		2,491,296	879,491
Cash flows from investing activities			
Interest received		198	300
Acquisitions of tangible assets		(198,222)	(113,007)
Proceeds from sale of shares		146,673	-
Net cash flows from investing activities		(51,351)	(112,707)
Cash flows from financing activities			
Interest paid	<u>6</u>	(60,827)	(90,419)
Payments for purchase of own shares		(118,000)	-
Repayment of other borrowing		(1,659,620)	19,142
Import finance loan repayments		114,337	(43,699)
Payments to finance lease creditors		(325,233)	(244,743)
Dividends paid		(200,000)	(250,000)
Net cash flows from financing activities		(2,249,343)	(609,719)
Net increase in cash and cash equivalents		190,602	157,065
Cash and cash equivalents at 1 January		277,661	120,596
Cash and cash equivalents at 31 December		468,263	277,661

Grinterley Limited

Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		168,074	332,235
Adjustments to cash flows from non-cash items			
Loss on disposal of shares		9,803	-
Finance income		(584,191)	(300,000)
Finance costs	<u>6</u>	97	410
Income tax expense	<u>10</u>	-	18,992
		(406,217)	51,637
Working capital adjustments			
Decrease/(increase) in trade debtors	<u>16</u>	340,156	(88,544)
Decrease in trade creditors	<u>17</u>	(302,984)	(28,907)
Cash generated from operations		(369,045)	(65,814)
Income taxes received/(paid)	<u>10</u>	97	(5,777)
Net cash flow from operating activities		(368,948)	(71,591)
Cash flows from investing activities			
Dividends received		584,191	300,000
Proceeds from sale of shares		146,673	40,000
Net cash flows from investing activities		730,864	340,000
Cash flows from financing activities			
Interest paid	<u>6</u>	(97)	(410)
Payments for purchase of own shares		(118,000)	-
Dividends paid		(200,000)	(250,000)
Net cash flows from financing activities		(318,097)	(250,410)
Net increase in cash and cash equivalents		43,819	17,999
Cash and cash equivalents at 1 January		22,571	4,572
Cash and cash equivalents at 31 December		66,390	22,571

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Cawley Priory
South Pallant
Chichester
PO19 1SY

The principal place of business is:

Long March
Daventry
NN11 4NR

These financial statements were authorised for issue by the Board on 24 May 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2020.

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

Government grants

The group received government grants in respect of the coronavirus job retention scheme. These grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

Foreign currency transactions and balances

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	at variable rates reducing balance and straight line
Fixtures and fittings	20% reducing balance
Motor vehicles	25% reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Negative goodwill

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Patents, copyrights, trademarks etc	Over period of patent or project
Development costs	Overestimated life of project

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made 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 lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Sale of goods	13,226,902	14,085,262

The analysis of the group's turnover for the year by class of business is as follows:

	2020 £	2019 £
Roofing & ventilation products	13,226,902	14,085,262

The analysis of the group's turnover for the year by market is as follows:

	2020 £	2019 £
UK	13,009,217	13,757,529
Europe	217,685	327,733
	13,226,902	14,085,262

4 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2020 £	2019 £
Gain (loss) from disposals of investments	(9,803)	-

5 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	304,628	299,704
Research and development cost	16,753	-
Operating lease expense - property	4,180	4,180
Operating lease expense - plant and machinery	111,276	172,812

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

6 Interest payable and similar charges

	2020	2019
	£	£
Interest on bank overdrafts and borrowings	-	23
Interest on obligations under finance leases and hire purchase contracts	7,258	5,868
Interest expense on other finance liabilities	37,014	36,005
Other finance costs	16,555	48,523
	<u>60,827</u>	<u>90,419</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019
	£	£
Wages and salaries	2,882,901	2,852,181
Social security	271,850	270,211
Pension costs, defined contribution scheme	141,247	132,516
Other employee expense	7,979	14,925
	<u>3,303,977</u>	<u>3,269,833</u>

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2020	2019
	No.	No.
Production	43	45
Administration and support	44	46
	<u>87</u>	<u>91</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	334,392	363,868
Contributions paid to money purchase schemes	11,878	10,694
	<u>346,270</u>	<u>374,562</u>

During the year the number of directors to whom retirement benefits were accruing was as follows:

	2020	2019
	No.	No.
Accruing benefits under defined benefit pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2020	2019
	£	£
Remuneration	<u>239,078</u>	<u>217,799</u>

9 Auditors' remuneration

	2020	2019
	£	£
Audit of these financial statements	<u>14,500</u>	<u>14,500</u>
Other fees to auditors		
All other non-audit services	<u>28,336</u>	<u>28,203</u>

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

10 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	169,209	183,452
UK corporation tax adjustment to prior periods	(1,118)	-
	<u>168,091</u>	<u>183,452</u>
Deferred taxation		
Arising from origination and reversal of timing differences	12,573	(4,371)
Arising from changes in tax rates and laws	-	(540)
	<u>12,573</u>	<u>(4,911)</u>
Total deferred taxation	<u>12,573</u>	<u>(4,911)</u>
Tax expense in the income statement	<u>180,664</u>	<u>178,541</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>888,517</u>	<u>1,125,477</u>
Corporation tax at standard rate	168,818	213,841
Effect of expense not deductible in determining taxable profit (tax loss)	10,786	10,732
UK deferred tax expense (credit) relating to accelerated capital allowances	12,573	(4,911)
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	(1,118)	-
Tax increase (decrease) from effect of capital allowances and depreciation	(8,119)	(12,637)
Tax increase (decrease) from effect of adjustment in research and development tax credit	(4,138)	(34,261)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>1,862</u>	<u>5,777</u>
Total tax charge	<u>180,664</u>	<u>178,541</u>

Deferred tax

Group

Deferred tax assets and liabilities

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2020	Liability £
Accelerated capital allowances	443,443
	<hr/>
2019	Liability £
Accelerated capital allowances	430,870
	<hr/>
Company	
Deferred tax assets and liabilities	
2019	Asset £
Accelerated capital allowances	540
	<hr/>

11 Intangible assets

Group

	Goodwill £	Trademarks, patents and licenses £	Development costs £	Total £
Cost or valuation				
At 1 January 2020	258,539	140,323	369,797	768,659
At 31 December 2020	258,539	140,323	369,797	768,659
Amortisation				
At 1 January 2020	258,539	140,323	369,797	768,659
At 31 December 2020	258,539	140,323	369,797	768,659
Carrying amount				
At 31 December 2020	-	-	-	-
At 31 December 2019	-	-	-	-

The aggregate amount of research and development expenditure recognised as an expense during the period is £16,753 (2019: £138,708).

Other financial assets - Group	2020 £
At 1 January 2020	156,476
Disposals of previously acquired businesses	(156,476)

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

	2020 £
Other financial assets - company	
At 1 January 2020	156,376
Disposals of previously acquired businesses	(156,376)
At 31 December 2020	-

12 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Other tangible assets £	Total £
Cost or valuation				
At 1 January 2020	593,166	586,377	5,617,352	6,796,895
Additions	-	15,324	182,898	198,222
At 31 December 2020	593,166	601,701	5,800,250	6,995,117
Depreciation				
At 1 January 2020	152,290	498,358	2,585,866	3,236,514
Charge for the year	23,441	31,567	253,800	308,808
At 31 December 2020	175,731	529,925	2,839,666	3,545,322
Carrying amount				
At 31 December 2020	417,435	71,776	2,960,584	3,449,795
At 31 December 2019	440,876	88,019	3,031,486	3,560,381

Included within the net book value of land and buildings above is £nil (2019: £nil) in respect of freehold land and buildings and £394,240 (2019: £417,681) in respect of long leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2020 £	2019 £
Plant & Machinery	834,826	864,154
Office equipment	41,609	60,809
	876,435	924,963

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Investments

Company

	2020	2019
	£	£
Investments in subsidiaries	<u>445,588</u>	<u>445,688</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2020		445,688
Disposals		<u>(100)</u>
At 31 December 2020		<u>445,588</u>
Provision		
Carrying amount		
At 31 December 2020		<u>445,588</u>
At 31 December 2019		<u>445,688</u>

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking		Registered office	Holding	Proportion of voting rights and shares held	
				2020	2019
Subsidiary undertakings					
Hambleside Danelaw Limited		England & Wales	Ordinary	100%	100%
Hambleside Limited	International	England & Wales	Ordinary	0%	100%

Subsidiary undertakings

Hambleside Danelaw Limited

The principal activity of Hambleside Danelaw Limited is manufacturing of roofing products for the construction industry.

Hambleside International Limited

The principal activity of Hambleside International Limited is that of a dormant company.

14 Disposal of subsidiary

On 31 December 2020, the group disposed of its interest in Hambleside International Limited. The gain/(loss) on disposal of Hambleside International Limited was £Nil. Hambleside International Limited contributed £Nil to the group profit/(loss).

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

15 Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Raw materials and consumables	722,610	759,144	-	-
Work in progress	195,565	173,644	-	-
Finished goods and goods for resale	716,655	922,933	-	-
	<u>1,634,830</u>	<u>1,855,721</u>	<u>-</u>	<u>-</u>

16 Debtors

		Group		Company	
	Note	2020	2019	2020	2019
		£	£	£	£
Trade debtors		3,062,710	3,041,796	-	-
Amounts owed by related parties <u>24</u>		-	2	-	-
Other debtors		250,221	598,364	250,221	598,364
Prepayments		316,883	152,206	8,579	592
		<u>3,629,814</u>	<u>3,792,368</u>	<u>258,800</u>	<u>598,956</u>
Total current trade and other debtors					

17 Creditors

		Group		Company	
	Note	2020	2019	2020	2019
		£	£	£	£
Due within one year					
Loans and borrowings <u>21</u>		1,017,496	2,619,193	-	-
Trade creditors		1,934,403	1,494,078	11,059	12,127
Amounts due to related parties <u>24</u>		-	-	2,039	320,188
Social security and other taxes		397,476	385,981	12,853	20,644
VAT deferred under COVID scheme		347,393	-	-	-
Outstanding defined contribution pension costs		16,532	17,524	229	229
Other payables		13,547	10,041	748	6,365
Accruals		910,750	718,559	67,172	37,531
Income tax liability <u>10</u>		183,061	178,794	13,852	13,755
		<u>4,820,658</u>	<u>5,424,170</u>	<u>107,952</u>	<u>410,839</u>
Due after one year					
Loans and borrowings <u>21</u>		57,483	326,302	-	-

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Security

HSBC hold a composite company unlimited multilateral guarantee given by Grinterley Limited, Hambleside Limited and Hambleside Danelaw Limited. Security given to HSBC includes a debenture, including fixed charge over all present freehold and leasehold property, first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and first floating charge over all assets and undertaking both present and future dated 1 October 2014. The guarantee covers the bank borrowings and the invoice discounting facility. Hire purchase agreements are secured on the assets to which they relate.

18 Provisions for liabilities

Group

	Dryseal guarantee reserve £	Deferred tax £	Total £
At 1 January 2020	-	430,870	430,870
Additional provisions	10,000	12,573	22,573
At 31 December 2020	10,000	443,443	453,443

Dryseal guarantee reserve:

Hambleside Danelaw (Roofing Systems) Limited Company number 04066977

Hambleside Danelaw (Roofing Systems) Limited (RS) is a wholly owned and dormant subsidiary of Hambleside Danelaw Limited.

The trading activity of RS between the 1st January 2001 and the 31st December 2009 was the supply of the “Dryseal roofing system”. From the 1st January 2010 this activity was absorbed by Hambleside Danelaw Limited.

RS issued to those who had installed “Dryseal”, a guarantee for a period of up to 20 years.

Hambleside Danelaw Limited has agreed to accept legal responsibility, for claims which may arise from the guarantees issued by RS in relation to the Dryseal roofing system, including agreeing that the beneficiaries of such guarantees should be entitled to enforce them directly against the Company.

Based on the historical claims experience, the contingent liability is not considered material. The costs of any claim are charged directly to the Group’s Profit and Loss account. In addition, the Group has a Guarantee Claim Reserve within its Balance Sheet of £10,000.

As RS has not traded for over ten years and as Hambleside Danelaw Limited has taken on the legal responsibility for those guarantee obligations of RS, the directors intend that during 2021 they will apply to the Registrar of Companies to have RS struck off from the register.

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

19 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £141,247 (2019 - £132,516).

Contributions totalling £16,532 (2019 - £17,524) were payable to the scheme at the end of the year and are included in creditors.

20 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Fixed ordinary share of £0.50 each	197,164	98,582.00	200,000	100,000.00
Growth ordinary share of £0.50 each	197,164	98,582.00	200,000	100,000.00
	394,328	197,164.00	400,000	200,000.00

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

21 Loans, borrowings & security

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Non-current loans and borrowings				
Finance lease liabilities	57,483	326,302	-	-

Bank borrowings are secured by way of floating charge over group assets, finance leases are secured by the related assets.

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Current loans and borrowings				
Bank borrowings	345,205	230,868	-	-
Finance lease liabilities	291,937	348,351	-	-
Invoice discounting facility	380,354	2,039,974	-	-
	1,017,496	2,619,193	-	-

Bank borrowings and the invoice discount facility are secured by way of floating charge over group assets, finance leases are secured by the related assets.

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

22 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	291,937	348,351
Later than one year and not later than five years	57,483	326,302
	<u>349,420</u>	<u>674,653</u>

Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	545,489	568,890
Later than one year and not later than five years	1,849,498	1,938,096
Later than five years	2,524,348	2,975,125
	<u>4,919,335</u>	<u>5,482,111</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £570,968 (2019 - £563,082).

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

23 Dividends

Final dividends paid

	2020 £	2019 £
Final dividend of £0.51 (2019 - £0.75) per each Fixed ordinary share	100,000	150,000
	<hr/>	<hr/>

Interim dividends paid

	2020 £	2019 £
Interim dividend of £0.51 (2019 - £0.50) per each Fixed ordinary share	100,000	100,000
	<hr/>	<hr/>

24 Related party transactions

Group

Related party - Bellamy Dry & Associates Limited

Bellamy Dry & Associates Limited is under the control of Mr D Yellop and Mr N Yellop. The company charged the group consultancy fees during the year of £40,120 (2019: £40,120).

Related party - Belham Pension Fund

Mr Jeffery, Mr Yellop and Mr Avery are also trustees of the Belham Pension Fund.

During the year the group was recharged rent from the Belham Pension Fund. During the year there was £nil (2019: £32,825) payable relating to property rental expenses. At the year end there were no funds owed to the fund (2019 £nil).

Related parties - Hambleside Limited

Hambleside Limited (a company registered in England & Wales) is under control of the directors. The group has met some of the costs of Hambleside Limited during the period and charged it for accountancy services. The Directors will review from time to time their policy relating to interest charges arising on any outstanding balance due to the Group. At the year end there was £nil (2019: £560,492) owed from Hambleside Limited.

As a result of restructuring, in the year debt due from Hambleside Limited was transferred to Hambleside Holdings Limited (a company under control of the directors). The balance owed from Hambleside Holdings Limited to Grinterley Limited at the year end was £250,000 (2019: £nil).

Grinterley Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

25 Analysis of changes in net debt

Group

	At 1 January 2020 £	Cash flows £	New finance leases £	At 31 December 2020 £
Cash and cash equivalents				
Cash	270	128	-	398
Cash equivalents	277,391	190,474	-	467,865
	<u>277,661</u>	<u>190,602</u>	<u>-</u>	<u>468,263</u>
Borrowings				
Short term borrowings	(2,270,842)	1,545,283	-	(725,559)
Lease liabilities	(674,653)	352,422	(27,189)	(349,420)
	<u>(2,945,495)</u>	<u>1,897,705</u>	<u>(27,189)</u>	<u>(1,074,979)</u>
	<u>(2,667,834)</u>	<u>2,088,307</u>	<u>(27,189)</u>	<u>(606,716)</u>

Company

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash and cash equivalents			
Cash	22,571	43,819	66,390
	<u>22,571</u>	<u>43,819</u>	<u>66,390</u>

26 Cash and cash equivalents

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Cash on hand	270	398	-	-
Cash at bank	467,993	277,263	66,390	22,571
	<u>468,263</u>	<u>277,661</u>	<u>66,390</u>	<u>22,571</u>

27 COVID-19 impact

In line with many businesses COVID-19 has had an impact on the trading results of the group. The impact on these financial statements is detailed in the Strategic report.

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