

**REGISTERED NUMBER: 01890135 (England and Wales)**

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019  
FOR  
DB GROUP (HOLDINGS) LIMITED**

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the Year Ended 31 December 2019**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Consolidated Income Statement</b>	<b>8</b>
<b>Consolidated Other Comprehensive Income</b>	<b>9</b>
<b>Consolidated Balance Sheet</b>	<b>10</b>
<b>Company Balance Sheet</b>	<b>11</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>12</b>
<b>Company Statement of Changes in Equity</b>	<b>13</b>
<b>Consolidated Cash Flow Statement</b>	<b>14</b>
<b>Company Cash Flow Statement</b>	<b>15</b>
<b>Notes to the Cash Flow Statements</b>	<b>16</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>18</b>

**DB GROUP (HOLDINGS) LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 December 2019**

**DIRECTORS:**

V A H Ball  
E P Boyle  
L E Clinton  
M Coles  
F Emmett  
W B Kendall  
W R A Zakers

**REGISTERED OFFICE:**

Wellington Way  
Bourn Airfield  
Cambridge  
Cambridgeshire  
CB23 2TQ

**REGISTERED NUMBER:**

01890135 (England and Wales)

**AUDITORS:**

ECL Howard Watson Smith LLP  
Chartered Accountants  
& Statutory Auditors  
ECL House  
Lake Street  
Leighton Buzzard  
Bedfordshire  
LU7 1RT

**GROUP STRATEGIC REPORT  
for the Year Ended 31 December 2019**

The directors present their strategic report of the company and the group for the year ended 31 December 2019.

**REVIEW OF THE BUSINESS**

The Group develops, produces and markets specialist construction materials and services primarily focussed on the theme of 'sustainable and durable' construction.

The renowned Pudlo waterproofing brand leverages and expands on decades of experience in waterproofing concrete structures to provide a comprehensive range of products and services for watertight and gas-tight construction. Today, the Pudlo System includes a full range of design services, incorporating membrane and cavity drain products which can be offered separately, or together to provide dual or triple systems.

The increased focus on these membrane products continues to deliver increasing revenues and market share despite a general contraction in the construction market. Hence future sales growth is expected as confidence returns to the market.

There has been significant progress during 2019 on developing the technology of Cemfree, the Company's ultra-low embodied carbon alternative to ordinary cement. Cemfree's ability to address the needs of various concrete applications has been well demonstrated and important relationships have been built within the relevant market sectors. It is the Company's intention to leverage these relationships and the growing interest in more sustainable construction to seek changes in construction standards to permit more widespread adoption of such technologies. The Company will continue to invest in technical and commercial resources in anticipation of significant sales revenues in the medium term.

The Company's subsidiary MPS Concrete Solutions Ltd undertakes concrete repairs and other construction site services. It has continued to expand its service offering to grow revenues by 14% during 2019; demonstrating this business' further growth potential.

In the quest to significantly grow the Group both nationally and internationally, the Directors have planned for significant organic growth and are also actively seeking opportunities for bolt on acquisitions and joint ventures where these fulfil the objective of increasingly durable and sustainable construction.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Group's activities are entirely within the construction and civil engineering industry and demand for its products and services is to some extent subject to the cyclical nature of the industry. However, the Group's products are sold to a wide customer base through both direct and indirect channels. The Directors are confident that planned growth would offset the potential impact on the viability of the business from losing a major customer.

In the UK, the Company provides an industry-leading warranty for goods supplied in respect of its main product range. The risk is managed by applying strict quality control conditions with which the customer must comply before a warranty is issued. The Company's significant investment in a professional quality assurance team has ensured remedial works remain very modest relative to industry norms.

The Company does have exposure to changing foreign exchange rates but the relevant revenues are a small proportion of total turnover.

The Directors do not expect the departure of the UK from the European Union to have any significant adverse effect on the Company's business.

In common with most businesses at this time, the current spread of Covid-19 is a significant risk to the Company. However, the directors believe that the Company currently has adequate resources and are investigating its options should adverse trading conditions persist.

**KEY PERFORMANCE INDICATORS - £ THOUSAND**

2019 2018 2017 2016 2015

Turnover 6,212 6,269 6,099 5,971 4,744

Pre-tax profit/(loss) (598) 368 717 (150) (1,361)

**GROUP STRATEGIC REPORT  
for the Year Ended 31 December 2019**

**SOCIAL RESPONSIBILITY**

We take our corporate social responsibilities ("CSR") seriously and are committed to advancing our policies and systems to ensure we address and monitor all aspects of CSR that are relevant to our business.

The Company is accredited to a number of standards including ISO 9001 Quality Management System and ISO 14001 Environmental Management System and achieved accreditation to ISO45001 for Occupational Health and Safety in 2019. All of these accreditations demonstrate the Company's commitment to providing quality products and services whilst meeting its social and environmental responsibilities.

The Company also complies with BES 6001 Responsible Sourcing and BBA/EN 934 - product standards that focus on the supply and manufacturing processes of the business. In addition, the Company's Achilles accreditation confirms that we are meeting our customers' requirements in an ethical and safe manner.

As a Company driven largely by technological innovation, our main assets are the talents and skills of the people we employ. Consequently the Company aims to find, engage and retain the highest calibre of employees, and encourages their contribution and development. In addition, the health, safety and welfare of all employees and those who come into contact with our products and activities are of paramount importance to us. We fulfil our regulatory and moral responsibilities by targeting continuous improvements in how we manage health and safety issues.

**ON BEHALF OF THE BOARD:**

L E Clinton - Director

17 March 2020

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2019**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2019.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2019.

**RESEARCH AND DEVELOPMENT**

The Group is committed to a programme of research and development activities to develop the next generation of products for the group to manufacture.

**FUTURE DEVELOPMENTS**

The Group is developing, testing and certifying new products in the waterproofing business unit, and is expanding the range of services offered to assure watertight envelopes. These developments will allow the group to access previously untapped markets, including geographical expansion within the United Kingdom and overseas.

Having developed relationships with a number of key players in the construction industry, Cemfree technology has been refined to provide practicable ultra-low carbon concretes that are delivered using existing infrastructure. Trials and demonstrations will continue with congruent partners who wish to drive sustainability and innovation in the construction sector, establishing the technology as an easy alternative to those legacy materials with higher embodied carbon.

As the Company continues to grow it seeks opportunities to work collaboratively with close partners, to increase vertical integration, and possible adjacent acquisitions where appropriate returns can be delivered.

**DIRECTORS**

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

V A H Ball  
E P Boyle  
L E Clinton  
M Coles  
F Emmett  
W B Kendall  
W R A Zakers

**LAND AND BUILDINGS**

It is the opinion of the Directors that the market value of the freehold premises is not less than their carrying value in the financial statements.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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.

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2019**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

L E Clinton - Director

17 March 2020

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DB GROUP (HOLDINGS) LIMITED**

### **Opinion**

We have audited the financial statements of DB Group (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 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, Company Cash Flow Statement and Notes to the Cash Flow Statements, 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 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

### **Other information**

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

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

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

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

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

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



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DB GROUP (HOLDINGS) LIMITED**

### **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 Report of the Directors.

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

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

### **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 a Report of the Auditors 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.

Martin Wright FCA MAE (Senior Statutory Auditor)  
for and on behalf of ECL Howard Watson Smith LLP  
Chartered Accountants  
& Statutory Auditors  
ECL House  
Lake Street  
Leighton Buzzard  
Bedfordshire  
LU7 1RT

24 March 2020

**CONSOLIDATED INCOME STATEMENT  
for the Year Ended 31 December 2019**

	Notes	31.12.19 £	31.12.18 £
<b>TURNOVER</b>	4	6,212,290	6,269,420
Cost of sales		<u>2,449,121</u>	<u>2,102,018</u>
<b>GROSS PROFIT</b>		3,763,169	4,167,402
Administrative expenses		<u>4,320,119</u> (556,950)	<u>3,765,444</u> 401,958
Other operating income		<u>54,011</u>	<u>61,553</u>
<b>OPERATING (LOSS)/PROFIT</b>	6	(502,939)	463,511
Interest receivable and similar income		<u>454</u> (502,485)	<u>-</u> 463,511
Interest payable and similar expenses	7	<u>95,028</u> (597,513)	<u>95,211</u> 368,300
<b>(LOSS)/PROFIT BEFORE TAXATION</b>			
Tax on (loss)/profit	8	<u>(88,987)</u>	<u>39,844</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u>(508,526)</u>	<u>328,456</u>
(Loss)/profit attributable to:			
Owners of the parent		<u>(508,526)</u>	<u>328,456</u>

The notes form part of these financial statements

**DB GROUP (HOLDINGS) LIMITED (REGISTERED NUMBER: 01890135)**

**CONSOLIDATED OTHER COMPREHENSIVE INCOME  
for the Year Ended 31 December 2019**

	Notes	31.12.19 £	31.12.18 £
<b>(LOSS)/PROFIT FOR THE YEAR</b>		(508,526)	328,456
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(508,526)</u>	<u>328,456</u>
Total comprehensive income attributable to: Owners of the parent		<u>(508,526)</u>	<u>328,456</u>

The notes form part of these financial statements

**DB GROUP (HOLDINGS) LIMITED (REGISTERED NUMBER: 01890135)****CONSOLIDATED BALANCE SHEET**  
**31 December 2019**

	Notes	31.12.19 £	£	31.12.18 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		205,467		188,136
Tangible assets	11		2,373,297		2,451,227
Investments	12		-		-
			<u>2,578,764</u>		<u>2,639,363</u>
<b>CURRENT ASSETS</b>					
Stocks	13	395,336		412,463	
Debtors	14	1,792,713		1,877,070	
Cash at bank and in hand		<u>941,173</u>		<u>1,452,882</u>	
		3,129,222		3,742,415	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>1,290,148</u>		<u>1,300,906</u>	
<b>NET CURRENT ASSETS</b>			<u>1,839,074</u>		<u>2,441,509</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,417,838		5,080,872
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		<u>1,174,884</u>		<u>1,329,392</u>
<b>NET ASSETS</b>			<u>3,242,954</u>		<u>3,751,480</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		308,936		308,936
Share premium	21		3,270,165		3,270,165
Retained earnings	21		<u>(336,147)</u>		<u>172,379</u>
			<u>3,242,954</u>		<u>3,751,480</u>

The financial statements were approved by the Board of Directors on 17 March 2020 and were signed on its behalf by:

L E Clinton - Director

**DB GROUP (HOLDINGS) LIMITED (REGISTERED NUMBER: 01890135)**

**COMPANY BALANCE SHEET**  
**31 December 2019**

	Notes	31.12.19 £	£	31.12.18 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		205,467		188,136
Tangible assets	11		2,353,683		2,431,602
Investments	12		<u>50,100</u>		<u>50,100</u>
			2,609,250		2,669,838
<b>CURRENT ASSETS</b>					
Stocks	13	268,259		342,360	
Debtors	14	1,404,556		1,514,380	
Cash at bank and in hand		<u>807,149</u>		<u>1,164,914</u>	
		2,479,964		3,021,654	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>1,295,860</u>		<u>1,169,814</u>	
<b>NET CURRENT ASSETS</b>			<u>1,184,104</u>		<u>1,851,840</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,793,354		4,521,678
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		<u>1,170,082</u>		<u>1,321,656</u>
<b>NET ASSETS</b>			<u>2,623,272</u>		<u>3,200,022</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		308,936		308,936
Share premium	21		3,270,165		3,270,165
Retained earnings	21		<u>(955,829)</u>		<u>(379,079)</u>
			<u>2,623,272</u>		<u>3,200,022</u>
Company's (loss)/profit for the financial year			<u>(576,750)</u>		<u>213,572</u>

The financial statements were approved by the Board of Directors on 17 March 2020 and were signed on its behalf by:

L E Clinton - Director

The notes form part of these financial statements

**DB GROUP (HOLDINGS) LIMITED (REGISTERED NUMBER: 01890135)****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the Year Ended 31 December 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 January 2018</b>	308,936	(156,077)	3,270,165	3,423,024
<b>Changes in equity</b>				
Total comprehensive income	-	328,456	-	328,456
<b>Balance at 31 December 2018</b>	<u>308,936</u>	<u>172,379</u>	<u>3,270,165</u>	<u>3,751,480</u>
<b>Changes in equity</b>				
Total comprehensive income	-	(508,526)	-	(508,526)
<b>Balance at 31 December 2019</b>	<u>308,936</u>	<u>(336,147)</u>	<u>3,270,165</u>	<u>3,242,954</u>

The notes form part of these financial statements

**DB GROUP (HOLDINGS) LIMITED (REGISTERED NUMBER: 01890135)**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
for the Year Ended 31 December 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 January 2018</b>	308,936	(592,651)	3,270,165	2,986,450
<b>Changes in equity</b>				
Total comprehensive income	-	213,572	-	213,572
<b>Balance at 31 December 2018</b>	<u>308,936</u>	<u>(379,079)</u>	<u>3,270,165</u>	<u>3,200,022</u>
<b>Changes in equity</b>				
Total comprehensive income	-	(576,750)	-	(576,750)
<b>Balance at 31 December 2019</b>	<u>308,936</u>	<u>(955,829)</u>	<u>3,270,165</u>	<u>2,623,272</u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT  
for the Year Ended 31 December 2019**

	Notes	31.12.19 £	31.12.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(85,312)	801,006
Interest paid		(77,334)	(78,792)
Interest element of hire purchase payments paid		(17,694)	(16,419)
Tax paid		(41,118)	(11,546)
Net cash from operating activities		<u>(221,458)</u>	<u>694,249</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(51,629)	(66,538)
Purchase of tangible fixed assets		(175,348)	(206,016)
Sale of tangible fixed assets		2,401	6,500
Interest received		454	-
Net cash from investing activities		<u>(224,122)</u>	<u>(266,054)</u>
<b>Cash flows from financing activities</b>			
New HP contracts in year		90,485	141,065
Mortgage repayments in year		(56,948)	(56,060)
Capital repayments in year		(99,666)	(64,761)
Net cash from financing activities		<u>(66,129)</u>	<u>20,244</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(511,709)</u>	<u>448,439</u>
<b>Cash and cash equivalents at beginning of year</b>	2	1,452,882	1,004,443
<b>Cash and cash equivalents at end of year</b>	2	<u>941,173</u>	<u>1,452,882</u>

The notes form part of these financial statements



**COMPANY CASH FLOW STATEMENT  
for the Year Ended 31 December 2019**

	Notes	31.12.19 £	31.12.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	24,110	599,295
Interest paid		(77,334)	(78,434)
Interest element of hire purchase payments paid		(17,091)	(15,565)
Tax paid		(10,867)	(363)
Net cash from operating activities		<u>(81,182)</u>	<u>504,933</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(51,629)	(66,538)
Purchase of tangible fixed assets		(164,429)	(194,318)
Sale of tangible fixed assets		2,401	6,500
Interest received		454	-
Net cash from investing activities		<u>(213,203)</u>	<u>(254,356)</u>
<b>Cash flows from financing activities</b>			
New HP contracts in year		90,485	141,065
Mortgage repayments in year		(56,948)	(56,060)
Capital repayments in year		(96,917)	(62,184)
Net cash from financing activities		<u>(63,380)</u>	<u>22,821</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(357,765)</u>	<u>273,398</u>
<b>Cash and cash equivalents at beginning of year</b>	2	1,164,914	891,516
<b>Cash and cash equivalents at end of year</b>	2	<u>807,149</u>	<u>1,164,914</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENTS  
for the Year Ended 31 December 2019**

**1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

**Group**

	31.12.19	31.12.18
	£	£
(Loss)/profit before taxation	(597,513)	368,300
Depreciation charges	287,577	258,803
Profit on disposal of fixed assets	(2,401)	(6,500)
Finance costs	95,028	95,211
Finance income	(454)	-
	<u>(217,763)</u>	<u>715,814</u>
Decrease/(increase) in stocks	17,127	(91,160)
Decrease/(increase) in trade and other debtors	187,846	(64,265)
(Decrease)/increase in trade and other creditors	<u>(72,522)</u>	<u>240,617</u>
<b>Cash generated from operations</b>	<u><u>(85,312)</u></u>	<u><u>801,006</u></u>

**Company**

	31.12.19	31.12.18
	£	£
(Loss)/profit before taxation	(664,101)	219,436
Depreciation charges	276,647	253,678
Profit on disposal of fixed assets	(2,401)	(6,500)
Finance costs	94,425	93,999
Finance income	(454)	-
	<u>(295,884)</u>	<u>560,613</u>
Decrease/(increase) in stocks	74,101	(170,912)
Decrease/(increase) in trade and other debtors	208,042	(15,876)
Increase in trade and other creditors	<u>37,851</u>	<u>225,470</u>
<b>Cash generated from operations</b>	<u><u>24,110</u></u>	<u><u>599,295</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statements in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	<b>Group</b>		<b>Company</b>	
<b>Year ended 31 December 2019</b>	31.12.19	1.1.19	31.12.19	1.1.19
	£	£	£	£
Cash and cash equivalents	<u>941,173</u>	<u>1,452,882</u>	<u>807,149</u>	<u>1,164,914</u>
<b>Year ended 31 December 2018</b>	31.12.18	1.1.18	31.12.18	1.1.18
	£	£	£	£
Cash and cash equivalents	<u>1,452,882</u>	<u>1,004,443</u>	<u>1,164,914</u>	<u>891,516</u>

**NOTES TO THE CASH FLOW STATEMENTS  
for the Year Ended 31 December 2019**

**3. ANALYSIS OF CHANGES IN NET DEBT**

**Group**

	At 1.1.19 £	Cash flow £	At 31.12.19 £
<b>Net cash</b>			
Cash at bank and in hand	1,452,882	(511,709)	941,173
	<u>1,452,882</u>	<u>(511,709)</u>	<u>941,173</u>
<b>Debt</b>			
Finance leases	(301,187)	9,181	(292,006)
Debts falling due within 1 year	(52,837)	(2,185)	(55,022)
Debts falling due after 1 year	<u>(1,116,033)</u>	<u>59,132</u>	<u>(1,056,901)</u>
	<u>(1,470,057)</u>	<u>66,128</u>	<u>(1,403,929)</u>
<b>Total</b>	<u>(17,175)</u>	<u>(445,581)</u>	<u>(462,756)</u>

**Company**

	At 1.1.19 £	Cash flow £	At 31.12.19 £
<b>Net cash</b>			
Cash at bank and in hand	1,164,914	(357,765)	807,149
	<u>1,164,914</u>	<u>(357,765)</u>	<u>807,149</u>
<b>Debt</b>			
Finance leases	(290,701)	6,432	(284,269)
Debts falling due within 1 year	(52,837)	(2,185)	(55,022)
Debts falling due after 1 year	<u>(1,116,033)</u>	<u>59,132</u>	<u>(1,056,901)</u>
	<u>(1,459,571)</u>	<u>63,379</u>	<u>(1,396,192)</u>
<b>Total</b>	<u>(294,657)</u>	<u>(294,386)</u>	<u>(589,043)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the Year Ended 31 December 2019**

**1. STATUTORY INFORMATION**

DB Group (Holdings) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

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.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The group accounts consolidate those of the company and of its subsidiaries. The accounts of each company in the group have been prepared to 31 December 2019. All intra-group profits and transactions are eliminated on consolidation. The accounts of David Ball Asia Pte Limited are not consolidated in the group accounts as they are considered to be immaterial.

**Turnover**

The group's turnover represents the value, excluding value added tax and trade discounts, of goods and services supplied to customers during the year. Revenue is recognised when the goods or services have been supplied to the customer and a right to consideration arises therefrom.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 33% on cost and 15% on cost
Fixtures and fittings	- 33% on cost
Motor vehicles	- 20% to 33% on cost and 25% on cost
Computer equipment	- 50% on cost

No depreciation is provided on freehold land.

**Stocks**

Stock is valued at the lower of cost and net realisable value.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2019**

**3. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

**Research and development**

Expenditure on research and development is amortised over 5 years where the directors are satisfied as to the technical, commercial and financial viability of individual projects. Otherwise the development expenditure is charged to the income statement in the year it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**Pensions**

The group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the income statement in the year they are payable.

**Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

**4. TURNOVER**

The turnover and loss (2018 - profit) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	31.12.19	31.12.18
	£	£
United Kingdom	5,592,743	5,641,693
European Community	28,847	31,995
Other	590,700	595,732
	<u>6,212,290</u>	<u>6,269,420</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**5. EMPLOYEES AND DIRECTORS**

	31.12.19	31.12.18
	£	£
Wages and salaries	2,628,039	2,403,289
Social security costs	284,518	248,359
Other pension costs	201,036	146,861
	<u>3,113,593</u>	<u>2,798,509</u>

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

	31.12.19	31.12.18
Directors	7	6
Sales and Administration	29	26
Manufacturing and Site	34	28
	<u>70</u>	<u>60</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 70 (2018 - 60).

	31.12.19	31.12.18
	£	£
Directors' remuneration	340,959	279,080
Directors' pension contributions to money purchase schemes	<u>27,478</u>	<u>21,560</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	31.12.19	31.12.18
	£	£
Emoluments etc	179,034	178,947
Pension contributions to money purchase schemes	<u>17,328</u>	<u>16,866</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**6. OPERATING (LOSS)/PROFIT**

The operating loss (2018 - operating profit) is stated after charging/(crediting):

	31.12.19	31.12.18
	£	£
Other operating leases	36,299	51,388
Depreciation - owned assets	142,441	153,392
Depreciation - assets on hire purchase contracts	110,837	77,734
Profit on disposal of fixed assets	(2,401)	(6,500)
Patents and licences amortisation	34,298	27,677
Auditors' remuneration	14,500	17,430
Auditors' remuneration for audit of subsidiary	6,000	6,070
Auditors' remuneration for non-audit services	3,035	3,117
Foreign exchange differences	(5,695)	(18,591)
Development costs	60,198	45,187
Leased motor vehicles	14,621	29,124
Inventory recognised as an expense	<u>1,732,178</u>	<u>1,438,508</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.19	31.12.18
	£	£
Bank loan interest	14,334	15,220
Other interest paid	63,000	63,572
Hire purchase	<u>17,694</u>	<u>16,419</u>
	<u>95,028</u>	<u>95,211</u>

**8. TAXATION**

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

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

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	(22,461)	30,251
Underprovision for earlier years	<u>(4,593)</u>	<u>-</u>
Total current tax	(27,054)	30,251
Deferred tax	<u>(61,933)</u>	<u>9,593</u>
Tax on (loss)/profit	<u>(88,987)</u>	<u>39,844</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2019**

**8. TAXATION - continued**

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

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

	31.12.19	31.12.18
	£	£
(Loss)/profit before tax	<u>(597,513)</u>	<u>368,300</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(113,527)	69,977
Effects of:		
Expenses not deductible for tax purposes	5,906	1,521
Adjustments to tax charge in respect of previous periods	47,155	-
Research and development tax credit	(22,461)	(51,564)
Losses not deductible for tax purposes	3,544	11,295
Deferred tax previously not provided	-	2,480
Change of tax rate	<u>(9,604)</u>	<u>6,135</u>
Total tax (credit)/charge	<u>(88,987)</u>	<u>39,844</u>

**9. INDIVIDUAL INCOME STATEMENT**

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

**10. INTANGIBLE FIXED ASSETS**

**Group**

	Patents and licences £
<b>COST</b>	
At 1 January 2019	394,434
Additions	51,629
Disposals	<u>(89,749)</u>
At 31 December 2019	<u>356,314</u>
<b>AMORTISATION</b>	
At 1 January 2019	206,298
Amortisation for year	34,298
Eliminated on disposal	<u>(89,749)</u>
At 31 December 2019	<u>150,847</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>205,467</u>
At 31 December 2018	<u>188,136</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2019**

**10. INTANGIBLE FIXED ASSETS - continued**

**Company**

	Patents and licences £
<b>COST</b>	
At 1 January 2019	394,434
Additions	51,629
Disposals	(89,749)
At 31 December 2019	<u>356,314</u>
<b>AMORTISATION</b>	
At 1 January 2019	206,298
Amortisation for year	34,298
Eliminated on disposal	(89,749)
At 31 December 2019	<u>150,847</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>205,467</u>
At 31 December 2018	<u>188,136</u>

**11. TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2019	2,240,470	584,497	203,288
Additions	-	7,935	22,868
Disposals	-	(584)	-
At 31 December 2019	<u>2,240,470</u>	<u>591,848</u>	<u>226,156</u>
<b>DEPRECIATION</b>			
At 1 January 2019	291,005	423,545	192,972
Charge for year	44,546	53,526	8,370
Eliminated on disposal	-	(584)	-
At 31 December 2019	<u>335,551</u>	<u>476,487</u>	<u>201,342</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>1,904,919</u>	<u>115,361</u>	<u>24,814</u>
At 31 December 2018	<u>1,949,465</u>	<u>160,952</u>	<u>10,316</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2019**

**11. TANGIBLE FIXED ASSETS - continued**

**Group**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2019	447,901	120,337	3,596,493
Additions	134,044	10,501	175,348
Disposals	<u>(15,550)</u>	<u>(21,756)</u>	<u>(37,890)</u>
At 31 December 2019	<u>566,395</u>	<u>109,082</u>	<u>3,733,951</u>
<b>DEPRECIATION</b>			
At 1 January 2019	154,604	83,140	1,145,266
Charge for year	120,175	26,661	253,278
Eliminated on disposal	<u>(15,550)</u>	<u>(21,756)</u>	<u>(37,890)</u>
At 31 December 2019	<u>259,229</u>	<u>88,045</u>	<u>1,360,654</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>307,166</u>	<u>21,037</u>	<u>2,373,297</u>
At 31 December 2018	<u>293,297</u>	<u>37,197</u>	<u>2,451,227</u>

Included within freehold property is land which has a cost of £300,000 and is not depreciated.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
At 1 January 2019	447,901
Additions	90,039
Disposals	<u>(15,550)</u>
At 31 December 2019	<u>522,390</u>
<b>DEPRECIATION</b>	
At 1 January 2019	154,604
Charge for year	110,837
Eliminated on disposal	<u>(15,550)</u>
At 31 December 2019	<u>249,891</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>272,499</u>
At 31 December 2018	<u>293,297</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2019**

**11. TANGIBLE FIXED ASSETS - continued**

**Company**

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2019	2,240,470	572,799	203,288
Additions	-	-	19,884
Disposals	-	(584)	-
At 31 December 2019	<u>2,240,470</u>	<u>572,215</u>	<u>223,172</u>
<b>DEPRECIATION</b>			
At 1 January 2019	291,005	421,980	192,972
Charge for year	44,546	46,735	7,790
Eliminated on disposal	-	(584)	-
At 31 December 2019	<u>335,551</u>	<u>468,131</u>	<u>200,762</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>1,904,919</u>	<u>104,084</u>	<u>22,410</u>
At 31 December 2018	<u>1,949,465</u>	<u>150,819</u>	<u>10,316</u>

  

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2019	433,663	120,337	3,570,557
Additions	134,044	10,501	164,429
Disposals	(15,550)	(21,756)	(37,890)
At 31 December 2019	<u>552,157</u>	<u>109,082</u>	<u>3,697,096</u>
<b>DEPRECIATION</b>			
At 1 January 2019	149,858	83,140	1,138,955
Charge for year	116,616	26,661	242,348
Eliminated on disposal	(15,550)	(21,756)	(37,890)
At 31 December 2019	<u>250,924</u>	<u>88,045</u>	<u>1,343,413</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>301,233</u>	<u>21,037</u>	<u>2,353,683</u>
At 31 December 2018	<u>283,805</u>	<u>37,197</u>	<u>2,431,602</u>

Included within freehold property is land which has a cost of £300,000 and is not depreciated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**11. TANGIBLE FIXED ASSETS - continued**

**Company**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
At 1 January 2019	433,663
Additions	90,039
Disposals	<u>(15,550)</u>
At 31 December 2019	<u>508,152</u>
<b>DEPRECIATION</b>	
At 1 January 2019	149,858
Charge for year	107,278
Eliminated on disposal	<u>(15,550)</u>
At 31 December 2019	<u>241,586</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>266,566</u>
At 31 December 2018	<u>283,805</u>

**12. FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2019 and 31 December 2019	<u>50,130</u>
<b>PROVISIONS</b>	
At 1 January 2019 and 31 December 2019	<u>30</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>50,100</u>
At 31 December 2018	<u>50,100</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**12. FIXED ASSET INVESTMENTS - continued**

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

**Subsidiaries**

**Greencem Limited**

Registered office: Wellington Way, Bourn Airfield, Cambridge, CB23 2TQ

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

The capital and reserves of this company totalled £Nil at 31 December 2019 (2018 - £Nil).

**Cemfree Limited**

Registered office: Wellington Way, Bourn Airfield, Cambridge, CB23 2TQ

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

The capital and reserves of this company totalled £Nil at 31 December 2019 (2018 - £Nil).

**Pudlo Limited**

Registered office: Wellington Way, Bourn Airfield, Cambridge, CB23 2TQ

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

	31.12.19	31.12.18
	£	£
Aggregate capital and reserves	<u>100</u>	<u>100</u>

**David Ball Asia Pte Limited**

Registered office: 20 Soo Chow Rise, Singapore, 575462

Nature of business: Sales agent for DB Group (Holdings) Limited

	%
Class of shares:	holding
Ordinary	100.00

This company was set up during 2012. This company has not been consolidated as the directors consider the effect to be immaterial.

**M.P.S. Concrete Solutions Limited**

Registered office: ECL House, Lake Street, Leighton Buzzard, LU7 1RT

Nature of business: Concrete remedial work

	%
Class of shares:	holding
Ordinary	100.00

	31.12.19	31.12.18
	£	£
Aggregate capital and reserves	387,318	300,438
Profit for the year	<u>86,880</u>	<u>174,327</u>

**DB GROUP (HOLDINGS) LIMITED (REGISTERED NUMBER: 01890135)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**12. FIXED ASSET INVESTMENTS - continued**

**Pudlo Middle East Building Materials LLC**

Registered office: Unit 111, Arenco Office Building, Dubai Investment Park 2, Dubai, UAE

Nature of business: Sale of building materials

	% holding	31.12.19	31.12.18
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		282,465	301,120
Loss for the year		<u>(18,655)</u>	<u>(59,443)</u>

**David Ball Group Limited**

Registered office: Wellington Way, Bourn Airfield, Cambridge, CB23 2TQ

Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

The capital and reserves of this company totalled £Nil at 31 December 2019 (2018 - £Nil).

**13. STOCKS**

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Raw materials	<u>395,336</u>	<u>412,463</u>	<u>268,259</u>	<u>342,360</u>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Trade debtors	1,372,140	1,374,675	1,006,761	992,287
Amounts owed by group undertakings	-	-	8,640	58,850
Other debtors	70,930	193,237	68,693	191,205
Tax	48,274	6,718	48,274	6,718
Deferred tax asset	218,208	156,275	216,666	160,004
Prepayments and accrued income	<u>83,161</u>	<u>146,165</u>	<u>55,522</u>	<u>105,316</u>
	<u><u>1,792,713</u></u>	<u><u>1,877,070</u></u>	<u><u>1,404,556</u></u>	<u><u>1,514,380</u></u>

Deferred tax asset

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Deferred tax	<u>218,208</u>	<u>156,275</u>	<u>216,666</u>	<u>160,004</u>

**DB GROUP (HOLDINGS) LIMITED (REGISTERED NUMBER: 01890135)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2019**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Other loans (see note 17)	55,022	52,837	55,022	52,837
Hire purchase contracts (see note 18)	174,023	87,828	171,088	85,078
Trade creditors	462,805	415,239	369,684	357,087
Amounts owed to group undertakings	-	-	191,833	50,434
Tax	3,635	30,251	-	-
Social security and other taxes	73,118	73,401	66,449	66,957
VAT	164,446	164,344	137,878	135,919
Other creditors	49,385	22,211	49,330	21,136
Accruals and deferred income	307,714	454,795	254,576	400,366
	<u>1,290,148</u>	<u>1,300,906</u>	<u>1,295,860</u>	<u>1,169,814</u>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Other loans (see note 17)	1,056,901	1,116,033	1,056,901	1,116,033
Hire purchase contracts (see note 18)	117,983	213,359	113,181	205,623
	<u>1,174,884</u>	<u>1,329,392</u>	<u>1,170,082</u>	<u>1,321,656</u>

**17. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Amounts falling due within one year or on demand:				
Other loans	<u>55,022</u>	<u>52,837</u>	<u>55,022</u>	<u>52,837</u>
Amounts falling due between one and two years:				
Other loans - 1-2 years	57,298	55,022	57,298	55,022
Senior Unsecured Loan Notes	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>-</u>
	<u>757,298</u>	<u>55,022</u>	<u>757,298</u>	<u>55,022</u>
Amounts falling due between two and five years:				
Other loans - 2-5 years	186,511	179,103	186,511	179,103
Senior Unsecured Loan Notes	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>700,000</u>
	<u>186,511</u>	<u>879,103</u>	<u>186,511</u>	<u>879,103</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Other loans - over 5 years	<u>113,092</u>	<u>181,908</u>	<u>113,092</u>	<u>181,908</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**17. LOANS - continued**

Other loans consist of an HSBC mortgage on which interest is charged at 2.5% above the HSBC base rate.

In view of the loss for the year, the company was in breach of its loan covenants in respect of that mortgage at 31 December 2019. The lender has confirmed that it does not intend to take any action with regard to those breaches, so the company has continued to disclose the liability according to the scheduled repayment dates. Should further breaches occur, the lender has the right to demand immediate repayment which would require the reclassification of the whole balance as a current liability.

Details of the interest rate on the Senior Unsecured Loan Notes are given in note 20.

**18. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	Hire purchase contracts	
	31.12.19	31.12.18
	£	£
Gross obligations repayable:		
Within one year	186,427	102,320
Between one and five years	<u>124,289</u>	<u>222,901</u>
	<u>310,716</u>	<u>325,221</u>
Finance charges repayable:		
Within one year	12,404	14,492
Between one and five years	<u>6,306</u>	<u>9,542</u>
	<u>18,710</u>	<u>24,034</u>
Net obligations repayable:		
Within one year	174,023	87,828
Between one and five years	<u>117,983</u>	<u>213,359</u>
	<u><u>292,006</u></u>	<u><u>301,187</u></u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2019**

**18. LEASING AGREEMENTS - continued**

**Company**

	Hire purchase contracts	
	31.12.19	31.12.18
	£	£
Gross obligations repayable:		
Within one year	183,074	98,968
Between one and five years	<u>119,333</u>	<u>214,593</u>
	<u>302,407</u>	<u>313,561</u>
Finance charges repayable:		
Within one year	11,986	13,890
Between one and five years	<u>6,152</u>	<u>8,970</u>
	<u>18,138</u>	<u>22,860</u>
Net obligations repayable:		
Within one year	171,088	85,078
Between one and five years	<u>113,181</u>	<u>205,623</u>
	<u>284,269</u>	<u>290,701</u>

**19. SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Other loans	411,923	468,870	411,923	468,870
Hire purchase contracts	<u>292,006</u>	<u>301,187</u>	<u>284,269</u>	<u>290,701</u>
	<u>703,929</u>	<u>770,057</u>	<u>696,192</u>	<u>759,571</u>

The company's bankers hold a first legal charge over the company's freehold premises and a debenture dated 25 November 2004 over all present freehold and leasehold property, a first fixed charge over book and other debts both present and future and a first floating charge over all assets both present and future.

Hire purchase liabilities are secured against the relevant assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2019**

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	31.12.18 £	31.12.17 £
60,461	'A' Ordinary shares	£1	60,461	60,461
39,806	'B' Ordinary shares	£1	39,806	39,806
169,280	'C' Ordinary shares	£1	169,280	169,280
39,389	'D' Ordinary shares	£1	39,389	39,389
			<u>308,936</u>	<u>308,936</u>

'A', 'B' and 'C' Ordinary shares carry one vote per share and rank equally for dividends and for any distribution on a winding up, save for a variation of the voting rights attaching to the 'A' Ordinary shares relating to the appointment of Directors, as detailed below.

'D' Ordinary shares do not carry voting rights but rank equally with the 'A', 'B' and 'C' Ordinary shares in all other respects.

On 1 July 2012 the company issued Senior Unsecured Loan Notes with Warrants, to the value of £2,000,000. These were for a five year term with an early repayment option after year 3 and bore interest at 9% per annum payable quarterly. Noteholders had warrants enabling them to acquire shares in the company on the following terms:

- Warrants will entitle the holder to acquire ordinary shares of up to 20% of the loan note (up to £400,000)
- Exercisable at a 10% premium to the stated share price of £21.88
- Exercisable at any time in the three weeks following the AGM in each year of the loan note only.

By 31 December 2017, notes to the value of £1,300,000 had been repaid and the remaining £700,000 had been renewed for a further four year period on the same terms. Warrants were exercised in respect of 1,661 'A' Ordinary shares and these were issued on 23 June 2017 at a premium of £23.07 per share.

On 23 June 2017, 110,480 'C' Ordinary shares were issued for Nil consideration pursuant to an investment agreement made on 24 February 2015. An amount equivalent to the nominal value of those shares was debited to the Share Premium account as equivalent to a bonus issue.

**21. RESERVES**

**Group**

	Retained earnings £	Share premium £	Totals £
At 1 January 2019	172,379	3,270,165	3,442,544
Deficit for the year	<u>(508,526)</u>		<u>(508,526)</u>
At 31 December 2019	<u>(336,147)</u>	<u>3,270,165</u>	<u>2,934,018</u>

**Company**

	Retained earnings £	Share premium £	Totals £
At 1 January 2019	(379,079)	3,270,165	2,891,086
Deficit for the year	<u>(576,750)</u>		<u>(576,750)</u>
At 31 December 2019	<u>(955,829)</u>	<u>3,270,165</u>	<u>2,314,336</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2019**

**22. PENSION COMMITMENTS**

Contributions payable by the group for the year amounted to £201,037 (2018 - £146,861).

£37,742 was outstanding at the balance sheet date (2018 - £12,518).

**23. ULTIMATE PARENT COMPANY**

Wheatsheaf Group Limited is regarded by the directors as being the company's ultimate parent company.

**24. RELATED PARTY DISCLOSURES**

**Entities with control, joint control or significant influence over the entity**

	31.12.19	31.12.18
	£	£
Purchases	49,334	43,291
Amount due to related party	<u>700,000</u>	<u>700,000</u>

**Entities over which the entity has control, joint control or significant influence**

	31.12.19	31.12.18
	£	£
Sales	232,243	77,501
Purchases	40,898	62,990
Amount due from related party	-	8,416
Amount due to related party	<u>183,193</u>	<u>-</u>

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.