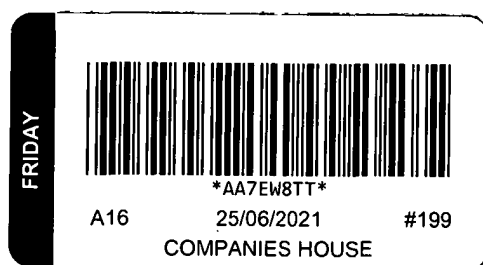


Registration number: 02637971

# Gordano Support Group Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2020



Mazars LLP  
Chartered Accountants & Statutory Auditors  
90 Victoria Street  
Bristol  
BS1 6DP

# **Gordano Support Group Limited**

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# **Gordano Support Group Limited**

## **Company Information**

### **Directors**

M J Bull

N J Bull

J E Bull

T J Patch

P J Roberts

### **Company secretary**

L S Selwyn

### **Registered office**

Barns Ground  
Kenn  
Clevedon  
North Somerset  
BS21 6ST

### **Auditors**

Mazars LLP  
Chartered Accountants & Statutory Auditors  
90 Victoria Street  
Bristol  
BS1 6DP

## **Gordano Support Group Limited**

### **Strategic Report for the Year Ended 30 September 2020**

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

#### **Principal activity**

The principal activity of the company is the provision of packaging, logistics, warehousing and related services.

#### **Fair review of the business**

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors are pleased to report that following year end the business has been able to continue trading throughout the prolonged outbreak of Covid-19. Furthermore, by virtue of careful control over all expenditure, together with the assistance of government grants the company has managed to maintain a modest profit during the lockdown period and is expecting to report a small profit for the full year to 30 September 2021.

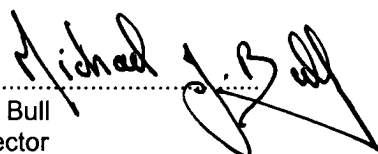
The company's financial KPIs are turnover and gross profit margin as reflected in the financial statements, and these will continue to be the focus in the coming year.

#### **Financial instruments and risk review**

The company's financial instruments comprise of cash at bank, overdrafts and bank loans. The main purpose of these financial instruments is to raise adequate finance for the company's operations.

The main risks arising from the company's financial instruments are interest rate fluctuations and liquidity risk. It is the company's policy to finance its operations through a mixture of cash and borrowings and to review periodically the mix of these instruments with regard to the projected cashflow requirements of the company and an acceptable level of risk exposure

Approved by the Board on 18.06.2021 and signed on its behalf by:

  
.....  
M J Bull  
Director

## **Gordano Support Group Limited**

### **Directors' Report for the Year Ended 30 September 2020**

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

#### **Directors of the company**

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

M J Bull

N J Bull

J E Bull

T J Patch

P J Roberts

#### **Information included in the Strategic Report**

In accordance with section 414C(11) of the Companies Act 2006 and schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 the company has elected to present the business review and details of the principal risks and uncertainties within the strategic report.

#### **Future developments**

As soon as the company and the market place have recovered from the impacts of the COVID-19 pandemic, the company plans to continue with its policy of investing in new equipment to enable greater automation and advanced levels of efficiencies and effectiveness within the production processes of the business.

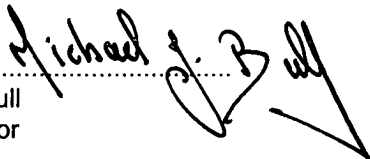
In understanding its environmental responsibilities, the company is striving to promote continual improvements and efficiencies regarding material usage and the associated requirement of keeping wastage levels to a minimum.

#### **Disclosure of information to the auditors**

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 18.06.2021 and signed on its behalf by:

.....  
M J Bull  
Director



## **Gordano Support Group 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. 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.

## **Gordano Support Group Limited**

### **Independent Auditor's Report to the Members of Gordano Support Group Limited**

We have audited the financial statements of Gordano Support Group Limited (the 'company') for the year ended 30 September 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

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

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

## **Gordano Support Group Limited**

### **Independent Auditor's Report to the Members of Gordano Support Group Limited (continued)**

#### **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.

#### **Opinion on other matter 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



## **Gordano Support Group Limited**

### **Independent Auditor's Report to the Members of Gordano Support Group Limited (continued)**

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **Gordano Support Group Limited**

### **Independent Auditor's Report to the Members of Gordano Support Group Limited (continued)**

#### **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.

..........

Jonathan Marchant (Senior Statutory Auditor)  
For and on behalf of Mazars LLP, Statutory Auditor

90 Victoria Street  
Bristol  
BS1 6DP

Date:.....21/6/21

## Gordano Support Group Limited

### Profit and Loss Account for the Year Ended 30 September 2020

	Note	2020 £	2019 £
Turnover	3	9,723,557	10,881,290
Cost of sales		<u>(6,967,746)</u>	<u>(7,459,723)</u>
Gross profit		2,755,811	3,421,567
Distribution costs		(302,265)	(290,201)
Administrative expenses		(2,712,684)	(2,785,806)
Other operating income	4	<u>294,265</u>	-
Operating profit	6	<u>35,127</u>	<u>345,560</u>
Other interest receivable and similar income	7	19	-
Interest payable and similar expenses	8	<u>(23,384)</u>	<u>(54,198)</u>
		<u>(23,365)</u>	<u>(54,198)</u>
Profit before tax		11,762	291,362
Tax on profit	12	<u>11,722</u>	<u>(79,662)</u>
Profit for the financial year		<u>23,484</u>	<u>211,700</u>

The above results were derived from continuing operations.

## **Gordano Support Group Limited**

### **Statement of Comprehensive Income for the Year Ended 30 September 2020**

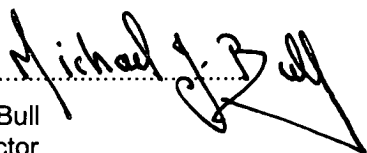
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit for the year	<u>23,484</u>	<u>211,700</u>
Surplus/(deficit) on property, plant and equipment revaluation	-	(3,190)
Surplus/(deficit) on revaluation of other assets	<u>(15,828)</u>	<u>(15,718)</u>
	<u>(15,828)</u>	<u>(18,908)</u>
Total comprehensive income for the year	<u>7,656</u>	<u>192,792</u>

**Gordano Support Group Limited**  
**(Registration number: 02637971)**  
**Balance Sheet as at 30 September 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	3,073,085	3,234,480
Investments	14	250	250
		<u>3,073,335</u>	<u>3,234,730</u>
<b>Current assets</b>			
Stocks	15	801,002	904,335
Debtors	16	1,772,412	2,811,868
Cash at bank and in hand		37,414	3,998
		<u>2,610,828</u>	<u>3,720,201</u>
<b>Creditors: Amounts falling due within one year</b>	18	<u>(2,300,033)</u>	<u>(3,340,962)</u>
<b>Net current assets</b>		<u>310,795</u>	<u>379,239</u>
<b>Total assets less current liabilities</b>		3,384,130	3,613,969
<b>Creditors: Amounts falling due after more than one year</b>	18	(472,010)	(688,126)
<b>Provisions for liabilities</b>	19	<u>(134,352)</u>	<u>(151,559)</u>
<b>Net assets</b>		<u>2,777,768</u>	<u>2,774,284</u>
<b>Capital and reserves</b>			
Called up share capital		14,689	14,689
Capital redemption reserve		5,311	5,311
Revaluation reserve		1,041,239	1,057,067
Profit and loss account		<u>1,716,529</u>	<u>1,697,217</u>
<b>Shareholders' funds</b>		<u>2,777,768</u>	<u>2,774,284</u>

Approved and authorised by the Board on 18.06.2021 and signed on its behalf by:

.....  
M J Bull  
Director



# Gordano Support Group Limited

## Statement of Changes in Equity for the Year Ended 30 September 2020

	Share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account
	£	£	£	£
At 1 October 2019	14,689	5,311	1,057,067	1,697,217
Profit for the year	-	-	-	23,484
Other comprehensive income	-	-	(15,828)	-
Total comprehensive income	-	-	(15,828)	23,484
Dividends	-	-	-	(20,000)
Transfers	-	-	-	15,828
At 30 September 2020	14,689	5,311	1,041,239	1,716,529
				<b>Total</b>
				<b>£</b>
At 1 October 2019				2,774,284
Profit for the year				23,484
Other comprehensive income				(15,828)
Total comprehensive income				7,656
Dividends				(20,000)
Transfers				15,828
At 30 September 2020				2,777,768
	Share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account
	£	£	£	£
At 1 October 2018	16,045	3,955	1,075,975	1,641,609
Profit for the year	-	-	-	211,700
Other comprehensive income	-	-	(18,908)	-
Total comprehensive income	-	-	(18,908)	211,700
Dividends	-	-	-	(55,000)
Purchase of own share capital	(1,356)	-	-	(120,000)
Transfers	-	-	-	18,908
Other capital redemption reserve movements	-	1,356	-	-
At 30 September 2019	14,689	5,311	1,057,067	1,697,217

The notes on pages 15 to 32 form an integral part of these financial statements.

## **Gordano Support Group Limited**

### **Statement of Changes in Equity for the Year Ended 30 September 2020 (continued)**

	<b>Total £</b>
At 1 October 2018	2,737,584
Profit for the year	211,700
Other comprehensive income	<u>(18,908)</u>
Total comprehensive income	192,792
Dividends	(55,000)
Purchase of own share capital	(121,356)
Transfers	18,908
Other capital redemption reserve movements	<u>1,356</u>
At 30 September 2019	<u>2,774,284</u>

The notes on pages 15 to 32 form an integral part of these financial statements.

# Gordano Support Group Limited

## Statement of Cash Flows for the Year Ended 30 September 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Profit for the year		23,484	211,700
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	217,987	204,308
Loss on disposal of tangible assets	5	-	8,442
Finance income	7	(19)	-
Finance costs	8	23,384	54,198
Income tax expense	12	(11,722)	79,662
		<u>253,114</u>	<u>558,310</u>
Working capital adjustments			
Decrease/(increase) in stocks	15	103,333	(125,987)
Decrease/(increase) in trade debtors	16	1,039,456	(177,826)
(Decrease)/increase in trade creditors	18	(451,737)	303,447
Cash generated from operations		944,166	557,944
Income taxes (paid)/received	12	(36,302)	29,182
Net cash flow from operating activities		<u>907,864</u>	<u>587,126</u>
<b>Cash flows from investing activities</b>			
Interest received	7	19	-
Acquisitions of tangible assets		(56,592)	(353,321)
Proceeds from sale of tangible assets		-	30,101
Net cash flows from investing activities		<u>(56,573)</u>	<u>(323,220)</u>
<b>Cash flows from financing activities</b>			
Interest paid	8	(23,384)	(54,198)
Payments for purchase of own shares		-	(120,000)
Proceeds from bank borrowing draw downs		(132,736)	(126,529)
Payments to finance lease creditors		(108,503)	76,935
Dividends paid	24	(20,000)	(55,000)
Net cash flows from financing activities		<u>(284,623)</u>	<u>(278,792)</u>
Net increase/(decrease) in cash and cash equivalents		566,668	(14,886)
Cash and cash equivalents at 1 October		<u>(737,989)</u>	<u>(723,103)</u>
Cash and cash equivalents at 30 September		<u>(171,321)</u>	<u>(737,989)</u>

The notes on pages 15 to 32 form an integral part of these financial statements.



## **Gordano Support Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 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:

Barns Ground  
Kenn  
Clevedon  
North Somerset  
BS21 6ST  
England

#### **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.

##### **Group accounts not prepared**

The company has taken advantage of the available exemption under s405(2) of the Companies Act 2006 on the basis the company's subsidiaries were dormant in the year as such are not material to the year-end position and for the purpose of giving a true and fair view..

##### **Going concern**

After a careful review of the current trading position together with the company's forecasts and projections for the forthcoming 12 months, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

As indicated within the Strategic Report, the Covid-19 pandemic has impacted the company with the result of reduced profitability, however, the combination of government grant assistance, the gradual improvement in activity levels and the access to adequate financial resources means that the directors are satisfied that they can continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## **Gordano Support Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements are disclosed below:

**Depreciation** - The directors exercise judgements in order to determine the useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated lives.

**Deemed cost** - The directors have opted to utilise the deemed cost election upon transition to FRS102 for the leasehold property. The revalued amount is based on an independent professional valuation undertaken on 10 June 2016 by RICS registered valuers Carter Baynes Limited. The directors are confident that this valuation is materially correct and have critically assessed the valuation methodology and underlying assumptions.

##### **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 company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company 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 company's activities.

##### **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 company operates and generates taxable income.

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

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.

## **Gordano Support Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **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.

In accordance with section 35 of FRS102 the directors have chosen to adopt the cost model for leasehold premises previously held under the revaluation model. The directors have elected to use a previous revaluation of this asset as its deemed cost at the transition date.

##### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold property	2% straight line
Plant and machinery	10% - 15% straight line
Fixtures and fittings	10% - 15% straight line
Office equipment	33% straight line
Motor vehicles	25% straight line
Commercial motor vehicles	25% straight line

##### **Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

##### **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.

##### **Trade 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 company will not be able to collect all amounts due according to the original terms of the receivables.

## **Gordano Support Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Stocks**

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

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.

##### **Trade 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 company 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 company 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 entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

## **Gordano Support Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **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 over the useful life of the asset. 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.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company 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.

## Gordano Support Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)

#### 2 Accounting policies (continued)

##### Financial instruments

###### *Recognition and measurement*

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

#### 3 Revenue

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

	2020 £	2019 £
Sale of goods	9,723,557	10,881,290

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

	2020 £	2019 £
UK	9,513,696	10,602,543
Europe	209,861	278,747
	9,723,557	10,881,290

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020 £	2019 £
Miscellaneous other operating income	294,265	-

#### 5 Other gains and losses

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

	2020 £	2019 £
Gain (loss) on disposal of property, plant and equipment	-	(8,442)

# Gordano Support Group Limited

## Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)

### 6 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	217,987	204,308
Operating lease expense - property	339,084	289,128
Operating lease expense - plant and machinery	47,367	44,545
Operating lease expense - other	10,043	9,623
Loss on disposal of property, plant and equipment	-	8,442
	<hr/>	<hr/>

### 7 Other interest receivable and similar income

	2020 £	2019 £
Interest income on bank deposits	19	-
	<hr/>	<hr/>

### 8 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and borrowings	13,023	18,256
Interest on obligations under finance leases and hire purchase contracts	10,361	10,428
Other finance costs	-	25,514
	<hr/>	<hr/>
	23,384	54,198
	<hr/>	<hr/>

### 9 Staff costs

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

	2020 £	2019 £
Wages and salaries	3,335,014	3,373,385
Social security costs	308,349	313,711
Pension costs, defined contribution scheme	46,883	96,227
Other employee expense	11,670	12,885
	<hr/>	<hr/>
	3,701,916	3,796,208
	<hr/>	<hr/>

# **Gordano Support Group Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)**

### **9 Staff costs (continued)**

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

	<b>2020 No.</b>	<b>2019 No.</b>
Production	94	97
Administration and support	30	30
	<u>124</u>	<u>127</u>

### **10 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2020 £</b>	<b>2019 £</b>
Remuneration	306,107	403,510
Contributions paid to money purchase schemes	8,803	7,028
	<u>314,910</u>	<u>410,538</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2020 No.</b>	<b>2019 No.</b>
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>4</u>

In respect of the highest paid director:

	<b>2020 £</b>	<b>2019 £</b>
Remuneration	100,400	107,500
Company contributions to money purchase pension schemes	<u>5,000</u>	<u>15,000</u>

### **11 Auditors' remuneration**

	<b>2020 £</b>	<b>2019 £</b>
Audit of the financial statements	<u>13,000</u>	<u>12,750</u>



## Gordano Support Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)

#### 12 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	19,618	41,482
UK corporation tax adjustment to prior periods	(14,133)	(6,350)
	5,485	35,132
<b>Deferred taxation</b>		
Arising from changes in tax rates and laws	(17,207)	44,530
Tax (receipt)/expense in the income statement	(11,722)	79,662

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	11,762	291,362
Corporation tax at standard rate	2,235	55,359
Effect of expense not deductible in determining taxable profit (tax loss)	5,879	7,886
Decrease from effect of tax incentives	(15,521)	-
Deferred tax (credit)/expense from unrecognised temporary difference from a prior period	(17,207)	44,530
Decrease in UK and foreign current tax from adjustment for prior periods	(14,133)	(6,350)
Tax increase/(decrease) from effect of capital allowances and depreciation	27,025	(21,763)
Total tax (credit)/charge	(11,722)	79,662

#### Deferred tax

Deferred tax assets and liabilities

# Gordano Support Group Limited

## Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)

### 12 Taxation (continued)

	Liability £
<b>2020</b>	
Accelerated capital allowances	120,978
Revaluation of tangible assets	13,374
	<u>134,352</u>
	Liability £
<b>2019</b>	
Accelerated capital allowances	138,185
Revaluation of tangible assets	13,374
	<u>151,559</u>

### 13 Tangible assets

	Long leasehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £
<b>Cost or valuation</b>				
At 1 October 2019	2,572,048	688,203	1,144,410	184,786
Additions	-	23,113	14,167	12,838
At 30 September 2020	<u>2,572,048</u>	<u>711,316</u>	<u>1,158,577</u>	<u>197,624</u>
<b>Depreciation</b>				
At 1 October 2019	205,685	569,367	669,616	153,397
Charge for the year	51,672	26,702	60,811	18,606
At 30 September 2020	<u>257,357</u>	<u>596,069</u>	<u>730,427</u>	<u>172,003</u>
<b>Carrying amount</b>				
At 30 September 2020	<u>2,314,691</u>	<u>115,247</u>	<u>428,150</u>	<u>25,621</u>
At 30 September 2019	<u>2,366,363</u>	<u>118,836</u>	<u>474,794</u>	<u>31,389</u>

# Gordano Support Group Limited

## Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)

### 13 Tangible assets (continued)

	Motor vehicles £	Commercial vehicles £	Total £
<b>Cost or valuation</b>			
At 1 October 2019	145,224	243,376	4,978,047
Additions	-	6,474	56,592
At 30 September 2020	145,224	249,850	5,034,639
<b>Depreciation</b>			
At 1 October 2019	63,044	82,458	1,743,567
Charge for the year	29,425	30,771	217,987
At 30 September 2020	92,469	113,229	1,961,554
<b>Carrying amount</b>			
At 30 September 2020	52,755	136,621	3,073,085
At 30 September 2019	82,180	160,918	3,234,480

Included within the net book value of land and buildings above is £2,314,691 (2019 - £2,366,363) 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 £
Tangible fixed assets	330,349	477,783

### 14 Investments

	2020 £	2019 £
Investments in subsidiaries	200	200
Investments in joint ventures	50	50
	250	250

## **Gordano Support Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)**

#### **14 Investments (continued)**

<b>Subsidiaries</b>	<b>£</b>
<b>Cost or valuation</b>	
At 1 October 2019	<u>200</u>
<b>Provision</b>	
<b>Carrying amount</b>	
At 30 September 2020	<u>200</u>
At 30 September 2019	<u>200</u>
 <b>Joint ventures</b>	 <b>£</b>
<b>Cost</b>	
At 1 October 2019	<u>50</u>
<b>Provision</b>	
<b>Carrying amount</b>	
At 30 September 2020	<u>50</u>
At 30 September 2019	<u>50</u>

## Gordano Support Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)

#### 14 Investments (continued)

##### 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				
Gordano Packaging Limited	Barns Ground, Kenn, Clevedon, BS21 6ST England	100 £1 ordinary shares	100%	100%
Gordano Support Limited	Barns Ground, Kenn, Clevedon, BS21 6ST England	100 £1 ordinary shares	100%	100%
Joint ventures				
Safe2Ship Limited	Barns Ground, Kenn, Clevedon, BS21 6ST England	50 £1 ordinary shares	50%	50%

##### Subsidiary undertakings

###### *Gordano Packaging Limited*

The principal activity of Gordano Packaging Limited is the provision of packaging services. During the year the company remained dormant.

###### *Gordano Support Limited*

The principal activity of Gordano Support Limited is the provision of packaging services. During the year the company remained dormant.

##### Joint ventures

###### *Safe2Ship Limited*

The principal activity of Safe2Ship Limited is the provision of dangerous goods packaging. During the year the company remained dormant.

# Gordano Support Group Limited

## Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)

### 15 Stocks

	2020 £	2019 £
Inventories	801,002	904,335

### 16 Debtors

	2020 £	2019 £
Trade debtors	1,419,844	2,476,886
Other debtors	352,568	334,982
	<u>1,772,412</u>	<u>2,811,868</u>

### 17 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	2,440	2,440
Cash at bank	34,974	1,558
	<u>37,414</u>	<u>3,998</u>
Bank overdrafts	(208,735)	(741,987)
Cash and cash equivalents in statement of cash flows	<u>(171,321)</u>	<u>(737,989)</u>

### 18 Creditors

	Note	2020 £	2019 £
<b>Due within one year</b>			
Loans and borrowings	22	426,825	985,200
Trade creditors		1,070,113	1,686,088
Social security and other taxes		466,526	310,374
Accruals		334,692	326,606
Income tax liability	12	1,877	32,694
		<u>2,300,033</u>	<u>3,340,962</u>
<b>Due after one year</b>			
Loans and borrowings	22	472,010	688,126

# Gordano Support Group Limited

## Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)

### 19 Provisions for liabilities

	Deferred tax £	Total £
At 1 October 2019	151,559	151,559
Increase (decrease) in existing provisions	(17,207)	(17,207)
At 30 September 2020	134,352	134,352

### 20 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £46,883 (2019 - £96,227).

### 21 Share capital

#### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	14,689	14,689	14,689	14,689

### 22 Loans and borrowings

	2020 £	2019 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	358,123	494,195
Hire purchase contracts	113,887	193,931
	472,010	688,126

## Gordano Support Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)

#### 22 Loans and borrowings (continued)

	2020 £	2019 £
<b>Current loans and borrowings</b>		
Bank borrowings	136,660	133,324
Bank overdrafts	208,735	741,987
Hire purchase contracts	81,430	109,889
	426,825	985,200

#### Bank borrowings

Bank loans are denominated in £ sterling with a nominal interest rate of 1.85% - 2.75% above base rate, and the final instalment is due on 31 May 2024. The carrying amount at year end is £494,783 (2019 - £627,519).

The bank loans are secured by a charge over the company's leasehold premises.

The property loan commenced in 2005 and is repayable in equal monthly instalments (allowing for an initial capital holiday of 24 months) over a period of 20 years. Interest is charged at 1.85% above base rate.

A further loan of £98,500 commenced in October 2012 in relation to the expansion of premises, and is repayable in equal monthly instalments over a period of 10 years with interest charged at variable rate of 2.75% above base rate.

#### 23 Obligations under leases and hire purchase contracts

##### Finance leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	81,430	109,889
Later than one year and not later than five years	113,887	193,931
	195,317	303,820



## **Gordano Support Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)**

#### **23 Obligations under leases and hire purchase contracts (continued)**

##### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Not later than one year	400,230	320,948
Later than one year and not later than five years	1,001,529	771,800
Later than five years	517,000	669,210
	<u>1,918,759</u>	<u>1,761,958</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £409,730 (2019 - £366,370).

#### **24 Dividends**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interim dividend of £1.3616 (2019 - £3.7443) per ordinary share	20,000	55,000
	<u>                    </u>	<u>                    </u>

#### **25 Related party transactions**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Dividends paid to directors	16,000	39,211
	<u>                    </u>	<u>                    </u>

## **Gordano Support Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)**

#### **25 Related party transactions (continued)**

##### **Other transactions with directors**

Advances of £11,100 were made to directors in the prior year with repayments being made of £2,160 during the year, with £8,940 remaining outstanding at the year end. During the year the company made further advances to the directors of £12,000 which remained outstanding at the year end date.

During the year, Roberts & Co (Bristol) Limited, a company in which the director, Mr P Roberts, holds a controlling interest, provided services to the company totalling £21,520 (2019 - £25,280). At the year end date the company owed Roberts & Co (Bristol) Limited a balance of £9,888 in respect of services provided.

During the year the company made ground rent payments totalling £47,000 to the GPL Executive Pension Trust, a pension scheme in which the directors, M J Bull, N J Bull and J E Bull, are trustees.

The above ground rental is at market-value and is subject to a lease term of 35 years commencing 16 January 2001. The associated remaining total lease commitment of £752,000 (£47,000 per annum for 16 years) is disclosed within the operating lease commitments note.

#### **26 Parent and ultimate parent undertaking**

The ultimate controlling parties are M J Bull and Mrs J Bull who own 60% of the issued share capital..