

Company Registration No. 02725685 (England and Wales)

PELI PRODUCTS (UK) LIMITED
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020



PELI PRODUCTS (UK) LIMITED

COMPANY INFORMATION

Directors	E W Breeze S H Breeze A P Clark P S Frost G Howard N R McMillan D Smith
Secretary	S H Breeze
Company number	02725685
Registered office	Pell House Peakdale Road Brookfield Glossop Derbyshire SK13 6LQ
Auditor	Chadwick & Company (Manchester) Limited Chartered Accountants Statutory Auditors Capital House 272 Manchester Road Droylsden Manchester M43 6PW
Bankers	Handelsbanken PLC First Floor Unit 8 Acorn Business Park Heaton Lane Stockport SK4 1AS

PELI PRODUCTS (UK) LIMITED

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PELI PRODUCTS (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2020

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

Business review and Future Developments

The group has worked hard during 2020 to maintain turnover levels compared to the previous year. This is largely due to the hard work of the its dedicated team and attitude to challenging conditions of Covid-19.

The companies within the group have continued to trade throughout the pandemic and remains profitable. Cost savings continue as a result of home-working arrangements and the global restrictions imposed on travel.

The focus for 2021 for the group is now dominated by the implications of the United Kingdom's departure from the European Union as well as the continued impact of Covid-19.

Principal risks and uncertainties

The continued strategy is to limit exposure to any individual area of business to a reasonable level in order to reduce the risk to the future of the group. The group continues to expand upon its range of products and customers which is considered important to maintain a secure future.

The group is in a strong position to utilise its expertise and reputation to exploit opportunities in their markets and looks to the future with confidence.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Robust credit controls in place ensure trade debtors are monitored on an ongoing basis using credit limits to minimise its exposure to external credit risk.

Interest rate risk

The group's borrowings during the earl part of the year were principally the property bank loans, at variable interest rates as to mitigate the risk of a spike in interest rates. Financial liabilities, interest charges and cash flows can be affected by the movements in interest rates.

Foreign currency risk

The group's principal foreign currency exposures arise from trading with our overseas suppliers. The directors regularly review the current exchange rates and will maximise the use of foreign currency bank accounts, when appropriate, to mitigate the risk of foreign currency fluctuations.

The directors of the group are hoping to maintain its current market position with a move away from 'single customer' sales to more corporate trade, using the group's existing e-commerce knowledge and experience. This will enable the group to enter new, niche markets.

PELI PRODUCTS (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

Key performance indicators

The group has experienced an increase in liquidity as demonstrated by an increase in the current ratio to 2.28 (2019 - 2.04) and an increase in the quick ratio to 1.59 (2019 - 1.18). This is due largely to a reduction in stock levels held at the year end.

A decrease in overall profitability due to the Coronavirus pandemic has seen the return on capital decrease to 18.21% (2019 - 24.76%).

On behalf of the board

E W Breeze

Director

25 August 2021

PELI PRODUCTS (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2020

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

Principal activities

The principal activities of the group continued to be that of importing and distributing a range of high quality protector cases, torches and remote area lighting as well as specialists in foam conversion, foam case inserts and material handling solutions.

Directors

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

E W Breeze	
S H Breeze	
A P Clark	
J C Hastings	(Resigned 31 July 2020)
P S Frost	
G Howard	
N R McMillan	
G C D Breeze	(Resigned 31 May 2021)
D Smith	(Appointed 1 August 2020)

Results and dividends

The results for the year are set out on page 7.

Interim dividends were paid amounting to £290,555. The directors do not recommend payment of a final dividend.

Future developments

The group is looking at moving into different markets to ensure future growth is obtained. Challenging markets have led to the group developing different platforms for their customers, both current and future.

Impact of Coronavirus

The World Health Organisation confirmed the Covid-19 outbreak as a pandemic on 11 March 2020. The directors consider the impact to be a non-adjusting event at the date of signing of the Directors' Report.

Safety provisions have been put in place by the directors, including additional hygiene procedures and the use of video-conferencing with the workforce rather than face to face meetings, reducing the need for unnecessary travel throughout the country. Employees are working from home where feasible to reduce contact with other members of their team and social distancing measures have been implemented in the company workplace. The directors encourage all employees of the group to receive Covid-19 vaccinations, where appropriate.

Auditor

In accordance with the company's articles, a resolution proposing that Chadwick & Company (Manchester) Limited be reappointed as auditor of the group will be put at a General Meeting.

PELI PRODUCTS (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

Statement of directors' responsibilities

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

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

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

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

Statement of disclosure to auditor

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

Strategic Report

Details of the group's principal risks and uncertainties are included in the Strategic Report.

On behalf of the board

E W Breeze
Director

25 August 2021

PELI PRODUCTS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PELI PRODUCTS (UK) LIMITED

Opinion

We have audited the financial statements of Peli Products (UK) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

PELI PRODUCTS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PELI PRODUCTS (UK) 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 Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Cathryn McDowell FCCA (Senior Statutory Auditor)
for and on behalf of Chadwick & Company (Manchester) Limited

Chartered Accountants
Statutory Auditors
Capital House
272 Manchester Road
Droylsden
Manchester
M43 6PW

26 August 2021

PELI PRODUCTS (UK) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	11,506,687	12,554,459
Cost of sales		(7,906,651)	(8,482,704)
Gross profit		3,600,036	4,071,755
Administrative expenses		(2,630,036)	(2,684,451)
Other operating income		181,895	667
Operating profit	4	1,151,895	1,387,971
Interest receivable and similar income	8	896	190
Interest payable and similar expenses	9	(10,786)	(15,627)
Profit before taxation		1,142,005	1,372,534
Tax on profit	10	(220,884)	(275,939)
Profit for the financial year	22	921,121	1,096,595

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

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

The group statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

PELI PRODUCTS (UK) LIMITED

GROUP BALANCE SHEET

AS AT 30 NOVEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		2,177,513		2,073,204
			<u>2,177,513</u>		<u>2,073,204</u>
Current assets					
Stocks	16	1,550,099		1,974,402	
Debtors	17	1,825,012		1,917,193	
Cash at bank and in hand		1,765,579		778,186	
		<u>5,140,690</u>		<u>4,669,781</u>	
Creditors: amounts falling due within one year	18	(2,256,563)		(2,293,040)	
Net current assets			<u>2,884,127</u>		<u>2,376,741</u>
Total assets less current liabilities			5,061,640		4,449,945
Provisions for liabilities					
Deferred tax liability	19	2,933		21,804	
		<u>(2,933)</u>		<u>(21,804)</u>	
Net assets			<u>5,058,707</u>		<u>4,428,141</u>
Capital and reserves					
Called up share capital	21	1,000,005		1,000,006	
Capital redemption reserve	22	6,668		6,667	
Profit and loss reserves	22	4,052,034		3,421,468	
Total equity			<u>5,058,707</u>		<u>4,428,141</u>

The financial statements were approved by the board of directors and authorised for issue on 25 August 2021 and are signed on its behalf by:

E W Breeze
Director

S H Breeze
Director

PELI PRODUCTS (UK) LIMITED

COMPANY BALANCE SHEET

AS AT 30 NOVEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	2,172,380		2,020,905	
Investments	14	140,895		140,895	
		<u>2,313,275</u>		<u>2,161,800</u>	
Current assets					
Stocks	16	1,247,622		1,648,467	
Debtors	17	1,518,495		1,533,266	
Cash at bank and in hand		1,359,108		599,269	
		<u>4,125,225</u>		<u>3,781,002</u>	
Creditors: amounts falling due within one year	18	<u>(1,957,125)</u>		<u>(1,948,115)</u>	
Net current assets		<u>2,168,100</u>		<u>1,832,887</u>	
Total assets less current liabilities		<u>4,481,375</u>		<u>3,994,687</u>	
Provisions for liabilities					
Deferred tax liability	19	3,226		4,735	
		<u>(3,226)</u>		<u>(4,735)</u>	
Net assets		<u>4,478,149</u>		<u>3,989,952</u>	
Capital and reserves					
Called up share capital	21	1,000,005		1,000,006	
Capital redemption reserve	22	6,668		6,667	
Profit and loss reserves	22	3,471,476		2,983,279	
Total equity		<u>4,478,149</u>		<u>3,989,952</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £778,752 (2019 - £883,187 profit).

The financial statements were approved by the board of directors and authorised for issue on 25 August 2021 and are signed on its behalf by:

E W Breeze
Director

S H Breeze
Director

Company Registration No. 02725685

PELI PRODUCTS (UK) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 December 2018		1,000,006	6,667	2,793,422	3,800,095
Year ended 30 November 2019:					
Profit and total comprehensive income for the year		-	-	1,096,595	1,096,595
Dividends	11	-	-	(468,549)	(468,549)
Balance at 30 November 2019		1,000,006	6,667	3,421,468	4,428,141
Year ended 30 November 2020:					
Profit and total comprehensive income for the year		-	-	921,121	921,121
Dividends	11	-	-	(290,555)	(290,555)
Redemption of shares	21	-	1	-	1
Reduction of shares	21	(1)	-	-	(1)
Balance at 30 November 2020		1,000,005	6,668	4,052,034	5,058,707

PELI PRODUCTS (UK) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 December 2018		1,000,006	6,667	2,568,641	3,575,314
Year ended 30 November 2019:					
Profit and total comprehensive income for the year		-	-	883,187	883,187
Dividends	11	-	-	(468,549)	(468,549)
Balance at 30 November 2019		1,000,006	6,667	2,983,279	3,989,952
Year ended 30 November 2020:					
Profit and total comprehensive income for the year		-	-	778,752	778,752
Dividends	11	-	-	(290,555)	(290,555)
Redemption of shares	21	-	1	-	1
Reduction of shares	21	(1)	-	-	(1)
Balance at 30 November 2020		1,000,005	6,668	3,471,476	4,478,149

PELI PRODUCTS (UK) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2020

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	28	1,787,906	1,465,693
Interest paid		(10,786)	(15,627)
Income taxes paid		(285,568)	(155,319)
Net cash inflow from operating activities		1,491,552	1,294,747
Investing activities			
Purchase of tangible fixed assets		(214,500)	-
Proceeds on disposal of tangible fixed assets		-	4,000
Proceeds from other investments and loans		-	106,371
Interest received		896	190
Net cash (used in)/generated from investing activities		(213,604)	110,561
Financing activities			
Repayment of bank loans		-	(807,839)
Dividends paid to equity shareholders		(290,555)	(468,549)
Net cash used in financing activities		(290,555)	(1,276,388)
Net increase in cash and cash equivalents		987,393	128,920
Cash and cash equivalents at beginning of year		778,186	649,266
Cash and cash equivalents at end of year		1,765,579	778,186

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2020

1 Accounting policies

Company information

Peli Products (UK) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Peli House, Peakdale Road, Brookfield, Glossop, Derbyshire, SK13 6LQ.

The group consists of Peli Products (UK) Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

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

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

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The consolidated financial statements incorporate those of Peli Products (UK) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 30 November 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

1 Accounting policies

(Continued)

1.2 Going concern

On 11 March 2020, Covid-19 was designated a pandemic by the World Health Organisation (WHO). The directors continue to review the impact on the business, ensuring provisions are put in place to mitigate any risk to the company's ability to trade as a going concern. At the date of signing the financial statements, in the opinion of the directors, Covid-19 will not impact on the group or the company's ability to trade as a going concern. Consequently, the group and the company continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

1.4 Intangible fixed assets - goodwill

Goodwill arising on consolidation is written off in equal annual instalments over its estimated useful economic life which, in the opinion of the directors, is five years.

1.5 Tangible fixed assets

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

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

Freehold property	2% straight line
Leasehold property	2% straight line
Leasehold improvements	straight line over term of lease
Plant and machinery	25% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

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

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

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is calculated using the weighted average method.

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

1.9 Cash at bank and in hand

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

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

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

1.11 Equity instruments

Ordinary shares are classified as equity. There is a single class of Ordinary shares, which are the voting shares. There are a further five classes of Ordinary shares, which have no voting rights attached to them. There are no restrictions on the distribution of dividends or the repayment of capital on all class of shares issued.

1.12 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

1 Accounting policies

(Continued)

1.13 Employee benefits

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

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

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

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.16 Government grants

Government grants, consisting of income received in connection with the Coronavirus Job Retention Scheme, is recognised when the income is received and disclosed in operating profit.

1.17 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies, excluding trade creditors, are translated into sterling at the rates of exchange ruling at the balance sheet date where material. Trade creditors at the balance sheet date are recorded at the rate ruling at the date of the transaction as set by the company. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or the rate of exchange determined by forward exchange contracts where applicable. All differences are taken to cost of sales in the profit and loss account.

2 Judgements and key sources of estimation uncertainty

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

In considering the going concern assumption, the directors have had to apply judgement in relation to the potential impact that Covid-19 may have on the economies the group and the company operates in. In arriving at this judgement, the directors have considered the financial resilience of the group and the company and how both would manage any downturn as a result of the pandemic.

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

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

3 Turnover and other revenue

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

	2020 £	2019 £
Turnover analysed by class of business		
	11,506,687	12,554,459
	<u>11,506,687</u>	<u>12,554,459</u>
	2020 £	2019 £
Other significant revenue		
Interest income	896	190
Grants received	181,895	-
	<u>181,895</u>	<u>-</u>
	2020 £	2019 £
Turnover analysed by geographical market		
UK Sales	11,135,963	12,291,635
EC Sales	320,466	208,941
Non-EC Sales	50,258	53,883
	<u>11,506,687</u>	<u>12,554,459</u>

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(181,895)	-
Depreciation of owned tangible fixed assets	110,191	140,192
Profit on disposal of tangible fixed assets	-	(4,000)
Operating lease charges	2,339	2,753
	<u>2,339</u>	<u>2,753</u>

5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	16,500	16,500
Audit of the financial statements of the company's subsidiaries	7,000	6,000
	<u>23,500</u>	<u>22,500</u>
For other services		
All other non-audit services	6,418	1,463
	<u>6,418</u>	<u>1,463</u>

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Administration and management	13	13	13	13
Sales and marketing	34	33	23	22
Production	25	23	-	-
Total	72	69	36	35

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	2,249,922	2,115,976	1,180,641	1,156,915
Pension costs	164,680	108,106	97,379	91,549
	2,414,602	2,224,082	1,278,020	1,248,464

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	175,322	106,890
Company pension contributions to defined contribution schemes	31,900	27,411
	207,222	134,301

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2019 - 7).

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	896	190

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	10,562	15,627
Other interest	224	-
Total finance costs	10,786	15,627

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	236,226	282,471
Adjustments in respect of prior periods	3,529	-
Total current tax	239,755	282,471
Deferred tax		
Origination and reversal of timing differences	(18,871)	(6,532)
Total tax charge	220,884	275,939

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

	2020	2019
	£	£
Profit before taxation	1,142,005	1,372,534
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	216,981	260,781
Tax effect of expenses that are not deductible in determining taxable profit	572	1,525
Adjustments in respect of prior years	3,529	-
Permanent capital allowances in excess of depreciation	18,673	23,470
Other permanent differences	-	(3,305)
Deferred tax movement	(18,871)	(6,532)
Taxation charge	220,884	275,939

11 Dividends

	2020	2019
	£	£
Recognised as distributions to equity holders:		
Interim paid	290,555	468,549

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 December 2019 and 30 November 2020	111,853
Amortisation and impairment	
At 1 December 2019 and 30 November 2020	111,853
Carrying amount	
At 30 November 2020	-
At 30 November 2019	-

The company had no intangible fixed assets at 30 November 2020 or 30 November 2019.

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2020

13 Tangible fixed assets								
Group		Freehold property	Leasehold property	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
Cost		£	£	£	£	£	£	£
At 1 December 2019		2,261,624	-	391,956	298,222	596,880	89,916	3,638,598
Additions		-	190,000	-	-	-	24,500	214,500
At 30 November 2020		2,261,624	190,000	391,956	298,222	596,880	114,416	3,853,098
Depreciation and impairment								
At 1 December 2019		271,394	-	391,956	261,811	572,449	67,784	1,565,394
Depreciation charged in the year		45,233	950	-	31,278	24,431	8,299	110,191
At 30 November 2020		316,627	950	391,956	293,089	596,880	76,083	1,675,585
Carrying amount								
At 30 November 2020		1,944,997	189,050	-	5,133	-	38,333	2,177,513
At 30 November 2019		1,990,230	-	-	36,411	24,431	22,132	2,073,204

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

Company	Freehold property	Leasehold property	Leasehold improvements	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 December 2019	2,261,624	-	391,956	533,450	89,916	3,276,946
Additions	-	190,000	-	-	24,500	214,500
At 30 November 2020	2,261,624	190,000	391,956	533,450	114,416	3,491,446
Depreciation and impairment						
At 1 December 2019	271,394	-	391,956	524,907	67,784	1,256,041
Depreciation charged in the year	45,233	950	-	8,543	8,299	63,025
At 30 November 2020	316,627	950	391,956	533,450	76,083	1,319,066
Carrying amount						
At 30 November 2020	1,944,997	189,050	-	-	38,333	2,172,380
At 30 November 2019	1,990,230	-	-	8,543	22,132	2,020,905

A professional valuation of the property situated at Units 1-5, 15 Cobham Road, Ferndown Industrial Estate, Wimborne, BH21 7PE was undertaken on 30 January 2019 as part of the company's re-organisation of its banking facilities. The report prepared by Savills (UK) Limited, valued the property at £3,820,000 on the current market value basis (full vacant possession).

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	140,895	140,895

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 December 2019 and 30 November 2020	140,895
Carrying amount	
At 30 November 2020	140,895
At 30 November 2019	140,895

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

15 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
MSA Foams Limited	England & Wales	Customised foam products	Ordinary	100.00

16 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Finished goods and goods for resale	1,550,099	1,974,402	1,247,622	1,648,467

17 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	1,652,677	1,437,016	1,391,425	1,125,339
Amounts owed by group undertakings	-	-	-	10,895
Other debtors	26,636	4,164	34,118	-
Prepayments and accrued income	145,699	476,013	92,952	397,032
	<u>1,825,012</u>	<u>1,917,193</u>	<u>1,518,495</u>	<u>1,533,266</u>

18 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	1,095,218	1,024,491	949,220	854,627
Amounts owed to group undertakings	-	-	91,720	-
Corporation tax payable	236,495	282,308	196,469	225,031
Other taxation and social security	498,118	536,244	388,527	430,322
Other creditors	191,568	290,083	191,443	290,083
Accruals and deferred income	235,144	159,914	139,746	148,052
	<u>2,256,563</u>	<u>2,293,040</u>	<u>1,957,125</u>	<u>1,948,115</u>

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
Group		
Accelerated capital allowances	2,933	21,804
	<u>2,933</u>	<u>21,804</u>
	Liabilities 2020 £	Liabilities 2019 £
Company		
Accelerated capital allowances	3,226	4,735
	<u>3,226</u>	<u>4,735</u>
	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 December 2019	21,804	4,735
Credit to profit or loss	(18,871)	(1,509)
	<u>2,933</u>	<u>3,226</u>
Liability at 30 November 2020	<u>2,933</u>	<u>3,226</u>

The deferred tax liability set out above is expected to reverse within future periods and relates to accelerated capital allowances that are expected to mature within the same timescale.

20 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	164,680	108,106
	<u>164,680</u>	<u>108,106</u>

The group operates a defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

21 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Class A, B, C, D, E, F shares of £1 each	5	6	5	6
	<u>1,000,005</u>	<u>1,000,006</u>	<u>1,000,005</u>	<u>1,000,006</u>

On 31 July 2020, the 1 Ordinary 'D' £1 share in issue was redeemed by the company at par value. This represented an insignificant percentage of the share capital of the company.

22 Reserves

Capital redemption reserve

Capital redemption reserve is a non-distributable reserve and represents paid up share capital.

Own shares

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

Profit and loss reserves

Profit and loss reserves includes all current and prior period retained profit and losses.

23 Financial commitments, guarantees and contingent liabilities

An unlimited inter-company guarantee is in place between Peli Products (UK) Limited and its subsidiary undertaking, MSA Foams Limited dated 27 March 2019 in relation to its facility with Handelsbanken Plc. At 30 November 2020, MSA Foams Limited had an overdrawn balance of £nil.

24 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	6,750	101,813	6,750	101,813
Between two and five years	-	48,625	-	48,625
	<u>6,750</u>	<u>150,438</u>	<u>6,750</u>	<u>150,438</u>

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

24 Operating lease commitments (Continued)

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	168,645	106,890

Other information

Group

The group has taken advantage of the exemption under Financial Reporting Standard 102 33.1A from disclosing any transactions and balances with group entities of which the group owns 100% of the share capital.

Company

The company rents the main property it occupies from directors, E W Breeze and S H Breeze. The amount payable each year is determined by a formal lease expiring on 1 January 2021. The present annual rent is £81,000.

The company also rents an additional unit jointly owned by directors A P Clark, S H Breeze and former director J C Hastings. The amount payable was determined by a formal lease expiring on 17 July 2023. On 22 September 2020, the company acquired the property from the above named directors for a consideration of £190,000. The transaction was on an arms length basis. The rent paid in the period prior to acquisition of the property was £12,500.

26 Directors' transactions

Included in other creditors are amounts owed to the directors of the group totalling £178,362 (2019 - £290,357).

Dividends totalling £290,555 (2019 - £468,549) were paid in the year in respect of shares held by the group's directors.

27 Controlling party

The ultimate controlling party of the company is E W Breeze, director, by virtue of owning, directly and indirectly, 100% of the issued Ordinary share capital.

PELI PRODUCTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

28 Cash generated from group operations

	2020	2019
	£	£
Profit for the year after tax	921,121	1,096,595
Adjustments for:		
Taxation charged	220,884	275,939
Finance costs	10,786	15,627
Investment income	(896)	(190)
Gain on disposal of tangible fixed assets	-	(4,000)
Depreciation and impairment of tangible fixed assets	110,191	140,192
Movements in working capital:		
Decrease/(increase) in stocks	424,303	(238,297)
Decrease/(increase) in debtors	92,181	(94,541)
Increase in creditors	9,336	274,368
Cash generated from operations	1,787,906	1,465,693

29 Analysis of changes in net funds - group

	1 December	Cash flows	30 November
	2019		2020
	£	£	£
Cash at bank and in hand	778,186	987,393	1,765,579

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.