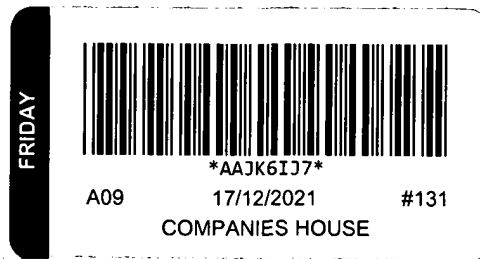


Registration number: 03006740

# Avon Group Manufacturing (Holdings) Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2021



## **Avon Group Manufacturing (Holdings) Limited**

### **Contents**

Company Information	1
Strategic Report	2 to 6
Directors' Report	7 to 10
Statement of Directors' Responsibilities	11
Independent Auditor's Report	12 to 16
Consolidated Profit and Loss Account and Statement of Retained Earnings	17
Consolidated Balance Sheet	18
Balance Sheet	19
Consolidated Statement of Changes in Equity	20
Statement of Changes in Equity	21
Consolidated Statement of Cash Flows	22
Notes to the Financial Statements	23 to 43
Basis of consolidation	24

## **Avon Group Manufacturing (Holdings) Limited**

### **Company Information**

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**Directors** M A Rushin  
A R Patel  
K Harrop  
M Lewis  
S A Thomas

**Company secretary** A R Patel

**Registered office** The Avon Building  
Units 137 - 145 South Liberty Lane  
Bedminster  
Bristol  
BS3 2TL

**Solicitors** Star Legal  
11 Great George Street  
Clifton  
Bristol  
BS1 5RR

**Bankers** Barclays Bank Plc  
Corporate Banking  
4th Floor  
Bridgwater House  
Finzels Reach  
Counterslip  
Bristol  
BS1 6BX

**Auditors** Burton Sweet Limited  
Cooper House  
Lower Charlton Estate  
Shepton Mallet  
Somerset  
BA4 5QE

**Avon Group Manufacturing (Holdings) Limited**  
**Strategic Report**  
**Year Ended 31 March 2021**

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The directors present their strategic report for the year ended 31 March 2021.

**Principal activity**

The principal activity of the company during the year was that of a holding company of an engineering Sealing Solutions business.

**Fair review of the business**

The directors are pleased to announce another successful trading year for the group despite the uncertainties regarding Covid 19. The directors believe this strong financial performance reflects the significant investments in machinery, premises and strategic recruitment across the Group.

The Group has strong ambitions for continued growth in both its existing business areas and in developing and widening its product and service offering. The Management team is both strong and able to develop and implement the thinking required to sustain our plans for profitable growth despite the year ahead is expected to be challenging in view of the continued Covid-19 impact. As the Group increases Current Assets and Net Assets, it is in a strong position, financially, to target and achieve its growth plan. The plan involves strategic acquisitions.

The Company is mindful of its environmental responsibilities, by continually exploring routes to further increase energy efficiencies and reducing waste. These remain high on the agenda. With its knowledgeable and motivated workforce, the Group has and continues to secure new contracts from existing and new customers.

The Group has set a target of £100 million turnover by 2024 and to help achieve this target, the Group continues to review further opportunities for acquisition as they become available. The next few years are expected to be a period of exciting development for the Group.

The directors and senior managers maintain a policy of regular review and tight control of the business using key performance indicators which include all key financial and non-financial measures.

With a very strong underpinning of cash control, benchmarking and analysis of all key budgetary data including monitoring of potential environmental impacts the company ensures a clear and fundamental understanding of its business at all stages of the year.

## **Avon Group Manufacturing (Holdings) Limited**

### **Strategic Report**

**Year Ended 31 March 2021**

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#### **Principal risks and uncertainties**

The Group operates in a challenging, global environment which has a range of risks and uncertainties. Some of these are highlighted below:

Foreign currency fluctuations have continued after Brexit and have proved challenging to minimise their impact on operations and results.

Market share demands the need to provide a competitive edge with both new and existing customers. This makes gaining & maintaining healthy margins a constant challenge.

Supply chain disruption because of Brexit and global COVID impacts combined with real and manufactured shortages can reduce ability to supply on time in full and also affect the ability to win new business and achieve operational results.

Recent impacts and shortages due to the global demand for Semi Conductors has resulted in reducing demand and fluctuating schedules from most automotive OEMs.

Product performance that does not meet expectations can cause reliability and safety issues. One therefore has to ensure all standards are maintained across the whole process of design, manufacture and delivery. To do otherwise could potentially have severe, long term consequences.

Raw material price increases because of the rules of supply and demand linked to real and artificial shortages can adversely affect margins if the affects cannot be passed on through price increases to the customers.

Significant investment programmes are required to keep machines and processes both modern and competitive. To not do so would impact the efficiency and effectiveness of business operations and ultimately market share.

## **Avon Group Manufacturing (Holdings) Limited**

### **Strategic Report**

**Year Ended 31 March 2021**

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#### **Risk Management**

Risk management is reviewed regularly by both directors and senior management.

Specific mitigation against principal risks include:

The ability to minimize fluctuations with support from the Groups banking facility.

Liaising with key customers & suppliers on quality and performance improvement, the group ensures the next generation products, materials and capital equipment all possess world leading qualities.

The group has several 'partnership' trading agreements with both customers and suppliers that allow for material price fluctuations and exchange rate movements to be passed on seamlessly.

In its trading history, the group has proved itself in maintaining long term relationships with critical suppliers. Operating within a constantly changing business environment however, alternative sources of material supply and services need to be regularly reviewed ensuring the company has plans in place to meet any possible breakdowns in supply from key suppliers.

With its strong environmental awareness coupled with the open market higher price of plastic, the group has striven to minimise wastage and looked for ways to move away from plastic packaging. With its ethos of maximising recycling these drives have helped in protecting margins.

## **Avon Group Manufacturing (Holdings) Limited**

### **Strategic Report**

**Year Ended 31 March 2021**

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#### **Coronavirus C19 Statement**

The outbreak and continued spread of the coronavirus pandemic have brought about a rapidly changing developments to our business.

We are safely managing all aspects of our operations to ensure continuity and support to our customers. We have suffered minimal impact to our supply chain and we expect no worsening of that situation.

We recognize that our primary concern is for the health and safety of our work colleagues and our stakeholders including customer and supply partners.

We have implemented additional cleaning and installed hygiene and sanitization procedures throughout our facility; issued appropriate PPE; while also adopting the government guidelines of social distancing and work at home protocols.

Although this pandemic was completely unexpected and has continued longer than hoped, we entered the period of great uncertainty in a strong financial position and it is pleasing to note that our order book is now back at pre-covid levels and rising, we remain flexible and ready to act quickly as appropriate to mitigate against trading conditions becoming any tougher.

We remain confident in our funding position, with no material debt and our assets unencumbered.

## **Avon Group Manufacturing (Holdings) Limited**

### **Strategic Report**

**Year Ended 31 March 2021**

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#### **Section 172 Statement**

Each director of the company has taken steps to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the members as a whole, and in doing so have regard (amongst other matters) to the below factors:

a) The likely consequences of any decision on the long term. The board has made principal decisions impacting the future of the company in line with the long-term strategic objectives of the ultimate parent company, Avon Group Manufacturing (Holdings) Ltd. The key strategic decisions made in the year were to invest in 2 new Trading Entities (Edgewest Plastics (UK) Ltd & Scandura Ltd) as well as continued investment in our current entities and our people, and the management of the Covid-19 response to ensure employee safety and continuity of production, including utilisation of Government Furlough support.

b) The interests of the company's employees. Directors have considered employee interests when making all principal decisions. Quarterly business communications are made by the Directors to the whole organisation through the company "Insights" Magazine with sectors on each individual entity and the overall company performance.

c) The need to foster the company's business relationships with suppliers, customers and others. We have established strategic relationships with our key customers and suppliers, with regular business meetings held with Senior Management. The business response to important economic uncertainties, such as BREXIT & Covid-19, has been communicated to our stakeholders to build trust and bolster relationships.

d) The impact of the company's operations on the community and the environment. The business makes a regular monthly donation to Children's Hospice South West alongside other ad hoc charitable donations and supports employee led fundraising campaigns. Energy usage is a key focus for the business to reduce its environmental impact and has invested in several schemes throughout the year to continue to reduce CO2 emissions

e) The desirability of the company maintaining a reputation for high standards of business conduct.

f) The need to act fairly between members of the company

Approved by the Board on 3 December 2021 and signed on its behalf by:



M A Rushin  
Director



## **Avon Group Manufacturing (Holdings) Limited**

### **Directors' Report**

**Year Ended 31 March 2021**

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The directors present their report and the for the year ended 31 March 2021.

#### **Directors of the group**

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

M A Rushin

A R Patel

K Harrop

M Lewis

The following director was appointed after the year end:

S A Thomas (appointed 1 April 2021)

#### **Employment of disabled persons**

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

#### **Employee involvement**

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas

Streamlined Energy and Carbon Reporting (SECR)

#### **UK energy use and associated greenhouse gas emissions**

The Group is pleased to report its current UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

#### **Organisational boundary**

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned and controlled within the UK only.

## Avon Group Manufacturing (Holdings) Limited

### Directors' Report

#### Year Ended 31 March 2021

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##### Reporting period

The annual reporting period is 1 April to 31 March each year and the energy and carbon emissions are aligned to this period.

##### Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations this year as these relate to the majority of the reporting period. The report has been reviewed independently by Briar (Briar Consulting Engineers Limited).

The energy data was collated using existing reporting mechanisms associated with monitoring Climate Change Agreements, which are held by three of our six manufacturing sites. The electricity and natural gas energy use was compiled from a mix of supplier invoices and AMR data and is considered accurate for the reporting period. Petrol and diesel purchase information was compiled by data from our fuel card suppliers. Estimates have been used in relation to our modest LPG use due to the difficulty of collating invoices and delivery notes.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities (scope 3).

Energy type	2019/2020	2020/2021
<b>Mandatory requirements:</b>		
Gas	3,133,940	2,913,717
Purchased electricity	5,794,046	5,800,019
Transport fuel	1,383,892	865,129
<b>Total energy (mandatory)</b>	<b>10,311,878</b>	<b>9,578,864</b>
<b>Voluntary requirements:</b>		
On site generated electricity (solar PV)*	52,604	25,944
<b>Total energy (voluntary)</b>	<b>52,604</b>	<b>25,944</b>
<b>Total energy (mandatory &amp; voluntary)</b>	<b>10,364,482</b>	<b>9,604,808</b>

Note: Figures may not sum to total due to rounding.

\*On site generated electricity does not account for exported energy

## Avon Group Manufacturing (Holdings) Limited

### Directors' Report

Year Ended 31 March 2021

Emission source	2019/2020	2020/2021
<b>Mandatory requirements:</b>		
<u>Scope 1</u>		
Gas	576.2	535.7
Transport - Company owned vehicles	334.3	204.3
<u>Scope 2</u>		
Purchased electricity (location-based)	1,481.0	1,352.2
<u>Scope 3</u>		
Transport – Business travel in employee-owned vehicles	0	0.4
<b>Total gross emissions (mandatory)</b>	<b>2,391.5</b>	<b>2,092.7</b>
<u>Intensity ratio (mandatory emissions only)</u>		
Tonnes of CO2e per £m turnover	41.408	39.851
<b>Voluntary requirements:</b>		
<u>Scope 1</u>		
On site generated electricity (solar PV)	0	0
<b>Total gross emissions (voluntary)</b>	<b>0</b>	<b>0</b>
<b>Total gross emissions (mandatory &amp; voluntary)</b>	<b>2,391.5</b>	<b>2,092.7</b>

Note: Figures may not sum to total due to rounding.

#### Intensity Ratio

The Group wide emission performance is measured by emissions (tCO2e) per million pounds (£m) of turnover and included in the above table. A separate subsidiary and site level breakdown of emission performance is provided in the following table. Due to the differing manufacturing processes, intensity ratios are provided for CO2e emissions per tonne of production or per million parts, excluding emissions related to road transport. Where sites hold voluntary Climate Change Agreements, the intensity ratio reflects that of the underlying agreement in order to meet best practice for GHG reporting.

## Avon Group Manufacturing (Holdings) Limited

### Directors' Report

Year Ended 31 March 2021

Tonnes of CO <sub>2</sub> e per unit of production	Production metric	2019/20	2020/21
A.E.R. Stafford Limited	Tonnes	0.515	0.587
Avon Engineered Rubber Limited	Millions of parts	69.050	60.097
Avon Group Manufacturing Limited	Millions of parts	6.905	7.286
Avon TSA Limited	Tonnes	0.606	1.398
Foam Techniques Limited	Millions of parts	3.844	2.502
P&D Manufacturing Limited	Millions of parts	28.710	21.431
Edgewest Stella	Millions of parts	N/A	43.961
Edgewest Alexandra	Millions of parts	N/A	5.965
Scandrua	Millions of parts	N/A	9.267

#### Energy efficiency action during current financial year

An extensive programme of actions was carried out in the previous reporting period (2019/20) resulting from the recommendations identified from the ESOS (Energy Saving Opportunity Scheme) Phase 2 energy audits. Therefore, there have been limited opportunities for further energy efficiency actions to have taken place within this current reporting period.

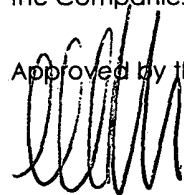
#### Disclosure of information to the auditor

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

#### Reappointment of auditors

The auditors Burton Sweet Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 3 December 2021 and signed on its behalf by:



M A Rushin  
Director

## **Avon Group Manufacturing (Holdings) 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.

## **Avon Group Manufacturing (Holdings) Limited**

### **Independent Auditor's Report to the Members of Avon Group Manufacturing (Holdings) Limited**

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#### **Opinion**

We have audited the financial statements of Avon Group Manufacturing (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Profit and Loss Account and Statement of Retained Earnings, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

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

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

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

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## **Avon Group Manufacturing (Holdings) Limited**

### **Independent Auditor's Report to the Members of Avon Group Manufacturing (Holdings) Limited**

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#### **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 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.

## **Avon Group Manufacturing (Holdings) Limited**

### **Independent Auditor's Report to the Members of Avon Group Manufacturing (Holdings) Limited**

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#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 11], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the parent company and group through discussions with directors and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements of the operations of the parent company and group, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance through the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:



## **Avon Group Manufacturing (Holdings) Limited**

### **Independent Auditor's Report to the Members of Avon Group Manufacturing (Holdings) Limited**

- 
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
  - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the parent company's and group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

## **Avon Group Manufacturing (Holdings) Limited**

### **Independent Auditor's Report to the Members of Avon Group Manufacturing (Holdings) Limited**

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#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

.....  
Joshua Kingston BSc ACA (Senior Statutory Auditor)  
For and on behalf of Burton Sweet Limited, Statutory Auditor

Cooper House  
Lower Charlton Estate  
Shepton Mallet  
Somerset  
BA4 5QE

3 December 2021

**Avon Group Manufacturing (Holdings) Limited**  
**Consolidated Statement of Income and Retained Earnings**  
**Year Ended 31 March 2021**

	Note	2021 £	2020 £
Turnover	4	49,344,720	57,752,339
Cost of sales		<u>(33,303,765)</u>	<u>(39,471,876)</u>
Gross profit		16,040,955	18,280,463
Distribution costs		(1,823,793)	(1,785,260)
Administrative expenses		(11,101,285)	(10,239,590)
Other operating income		<u>1,896,993</u>	<u>158</u>
Operating profit	6	<u>5,012,870</u>	<u>6,255,771</u>
Other interest receivable and similar income	7	72,464	-
Interest payable and similar charges	8	<u>(70,462)</u>	<u>(59,338)</u>
		<u>2,002</u>	<u>(59,338)</u>
Profit before tax		5,014,872	6,196,433
Taxation	12	<u>(941,231)</u>	<u>(1,137,071)</u>
Profit for the financial year		<u>4,073,641</u>	<u>5,059,362</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		4,073,641	5,059,362
Retained earnings brought forward		19,005,210	16,771,193
Dividends paid		<u>(1,430,937)</u>	<u>(2,825,345)</u>
Retained earnings carried forward		<u>21,647,914</u>	<u>19,005,210</u>

The notes on pages 23 to 43 form an integral part of these financial statements.

**Avon Group Manufacturing (Holdings) Limited**  
**(Registration number: 03006740)**  
**Consolidated Balance Sheet as at 31 March 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	5,840,433	5,203,274
Tangible assets	14	16,988,150	16,111,192
Investment property	15	2,826,611	2,506,230
		<u>25,655,194</u>	<u>23,820,696</u>
<b>Current assets</b>			
Stocks	18	4,961,310	3,740,932
Debtors	19	16,648,987	11,635,597
Cash at bank and in hand		1,293,847	921,237
		<u>22,904,144</u>	<u>16,297,766</u>
<b>Creditors: Amounts falling due within one year</b>	22	<u>(24,175,881)</u>	<u>(19,834,069)</u>
<b>Net current liabilities</b>		<u>(1,271,737)</u>	<u>(3,536,303)</u>
<b>Total assets less current liabilities</b>		24,383,457	20,284,393
<b>Creditors: Amounts falling due after more than one year</b>	22	(1,295,000)	-
<b>Provisions for liabilities</b>		<u>(788,312)</u>	<u>(626,952)</u>
<b>Net assets</b>		<u>22,300,145</u>	<u>19,657,441</u>
<b>Capital and reserves</b>			
Called up share capital	24	10,000	10,000
Share premium reserve		389,000	389,000
Revaluation reserve		298,933	298,933
Other reserves		(45,702)	(45,702)
Profit and loss account		<u>21,647,914</u>	<u>19,005,210</u>
Equity attributable to owners of the company		<u>22,300,145</u>	<u>19,657,441</u>
Total equity		<u>22,300,145</u>	<u>19,657,441</u>

Approved and authorised by the Board on 3 December 2021 and signed on its behalf by:

M A Rushin  
Director

The notes on pages 23 to 43 form an integral part of these financial statements.

**Avon Group Manufacturing (Holdings) Limited****(Registration number: 03006740)****Balance Sheet****31 March 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	-	3,029
Investments	16	<u>26,446,820</u>	<u>22,700,167</u>
		<u>26,446,820</u>	<u>22,703,196</u>
<b>Current assets</b>			
Debtors	19	715,387	-
Cash at bank and in hand		<u>-</u>	<u>195,010</u>
		715,387	195,010
<b>Creditors: Amounts falling due within one year</b>	22	<u>(25,061,522)</u>	<u>(20,839,125)</u>
<b>Net current liabilities</b>		<u>(24,346,135)</u>	<u>(20,644,115)</u>
<b>Total assets less current liabilities</b>		2,100,685	2,059,081
<b>Creditors: Amounts falling due after more than one year</b>	22	(1,295,000)	-
<b>Provisions for liabilities</b>		<u>416</u>	<u>316</u>
<b>Net assets</b>		<u>806,101</u>	<u>2,059,397</u>
<b>Capital and reserves</b>			
Called up share capital	24	10,000	10,000
Share premium reserve		389,000	389,000
Profit and loss account		<u>407,101</u>	<u>1,660,397</u>
<b>Total equity</b>		<u>806,101</u>	<u>2,059,397</u>

The company made a profit after tax for the financial year of £177,641 (2020 - profit of £284,086).

Approved and authorised by the Board on 3 December 2021 and signed on its behalf by:

  
M A Rushin  
Director

The notes on pages 23 to 43 form an integral part of these financial statements.

**Avon Group Manufacturing (Holdings) Limited**  
**Consolidated Statement of Changes in Equity**  
**Year Ended 31 March 2021**  
**Equity attributable to the parent company**

	Share capital £	Share premium £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £	Total equity £
At 1 April 2020	10,000	389,000	298,933	(45,702)	19,005,210	19,657,441	19,657,441
Profit for the year	-	-	-	-	4,073,641	4,073,641	4,073,641
Total comprehensive income	-	-	-	-	4,073,641	4,073,641	4,073,641
Dividends	-	-	-	-	(1,430,937)	(1,430,937)	(1,430,937)
At 31 March 2021	10,000	389,000	298,933	(45,702)	21,647,914	22,300,145	22,300,145
	Share capital £	Share premium £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £	Total equity £
At 1 April 2019	10,000	389,000	298,933	(45,702)	16,771,193	17,423,424	17,423,424
Profit for the year	-	-	-	-	5,059,362	5,059,362	5,059,362
Total comprehensive income	-	-	-	-	5,059,362	5,059,362	5,059,362
Dividends	-	-	-	-	(2,825,345)	(2,825,345)	(2,825,345)
At 31 March 2020	10,000	389,000	298,933	(45,702)	19,005,210	19,657,441	19,657,441

The notes on pages 23 to 43 form an integral part of these financial statements.

**Avon Group Manufacturing (Holdings) Limited**

**Statement of Changes in Equity**

**Year Ended 31 March 2021**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 April 2020	10,000	389,000	1,660,397	2,059,397
Profit for the year	-	-	177,641	177,641
Total comprehensive income	-	-	177,641	177,641
Dividends	-	-	(1,430,937)	(1,430,937)
At 31 March 2021	10,000	389,000	407,101	806,101

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 April 2019	10,000	389,000	4,201,656	4,600,656
Profit for the year	-	-	284,086	284,086
Total comprehensive income	-	-	284,086	284,086
Dividends	-	-	(2,825,345)	(2,825,345)
At 31 March 2020	10,000	389,000	1,660,397	2,059,397

The notes on pages 23 to 43 form an integral part of these financial statements.

**Avon Group Manufacturing (Holdings) Limited**  
**Consolidated Statement of Cash Flows**  
**Year Ended 31 March 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		4,073,641	5,059,362
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	2,263,320	2,080,623
Profit on disposal of property plant and equipment	5	(137,836)	(604,719)
Finance income	7	(72,464)	-
Finance costs	8	70,462	59,338
Corporation tax expense	12	941,231	1,137,071
		<u>7,138,354</u>	<u>7,731,675</u>
Working capital adjustments			
(Increase)/decrease in inventories	18	(1,220,378)	782,921
(Increase)/decrease in trade and other receivables	19	(4,628,420)	3,109,786
Increase/(decrease) in trade and other payables	22	1,785,017	(3,917,011)
		<u>3,074,573</u>	<u>7,707,371</u>
Cash generated from operations			
Corporation tax paid	12	(352,519)	(1,088,144)
Net cash flow from operating activities		<u>2,722,054</u>	<u>6,619,227</u>
<b>Cash flows from investing activities</b>			
Interest received		72,464	-
Acquisitions of property plant and equipment		(2,826,921)	(2,234,301)
Proceeds from sale of property plant and equipment		223,995	1,849,884
Acquisition of intangible assets	13	(1,036,675)	-
Acquisition of investment properties	15	(320,381)	(975,620)
Net cash flows from investing activities		<u>(3,887,518)</u>	<u>(1,360,037)</u>
<b>Cash flows from financing activities</b>			
Interest paid	8	(70,462)	(59,338)
Proceeds from bank borrowing draw downs		1,665,000	-
Repayment of bank borrowing		-	(2,004,215)
Dividends paid		(1,430,937)	(2,825,345)
Net cash flows from financing activities		<u>163,601</u>	<u>(4,888,898)</u>
Net (decrease)/increase in cash and cash equivalents		(1,001,863)	370,292
Cash and cash equivalents at 1 April		<u>921,237</u>	<u>550,945</u>
Cash and cash equivalents at 31 March		<u>(80,626)</u>	<u>921,237</u>

The notes on pages 23 to 43 form an integral part of these financial statements.



## **Avon Group Manufacturing (Holdings) Limited**

### **Notes to the Financial Statements**

**Year Ended 31 March 2021**

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#### **1 General information**

The company is incorporated and domiciled in England.

The address of its registered office is:

The Avon Building

Units 137 - 145 South Liberty Lane

Bedminster

Bristol

BS3 2TL

These financial statements were authorised for issue by the Board on 3 December 2021.

#### **2 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'.

#### **3 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.

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.

## **Avon Group Manufacturing (Holdings) Limited**

### **Notes to the Financial Statements**

**Year Ended 31 March 2021**

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#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2021.

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

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

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

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

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

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

#### **Going concern**

The financial statements have been prepared on a going concern basis.

The Directors consider there to be no material uncertainties affecting going concern due to the confidence in the Group's funding position, no net debt and unencumbered assets. This has been considered in the context of the Covid-19 pandemic, please see the strategic report for more details.

## **Avon Group Manufacturing (Holdings) Limited**

### **Notes to the Financial Statements**

**Year Ended 31 March 2021**

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#### **Revenue recognition**

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

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the Group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

#### **Depreciation**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold property	5% Straight line
Freehold Property	2%-5% Straight line on buildings only
Other property, plant and equipment	10-25% Straight line/15% Reducing balance

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## **Avon Group Manufacturing (Holdings) Limited**

### **Notes to the Financial Statements**

#### **Year Ended 31 March 2021**

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Furniture, fittings and equipment	15% Reducing balance/25% Straight line
Motor vehicles	25% Straight line
Leasehold improvements	5% Straight line

#### **Investment property**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

#### **Business combinations**

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

#### **Goodwill**

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

#### **Amortisation**

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

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	Over its economic life

## **Avon Group Manufacturing (Holdings) Limited**

### **Notes to the Financial Statements**

**Year Ended 31 March 2021**

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#### **Investments**

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

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

#### **Cash and cash equivalents**

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

#### **Debtors**

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

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

#### **Inventories**

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

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

## **Avon Group Manufacturing (Holdings) Limited**

### **Notes to the Financial Statements**

**Year Ended 31 March 2021**

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#### **Creditors**

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

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

#### **Borrowings**

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

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

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

#### **Leases**

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

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

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

#### **Share capital**

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

## Avon Group Manufacturing (Holdings) Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

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#### 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 group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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

#### Share based payments

The group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

## 4 Revenue

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

	2021 £	2020 £
Sale of goods	<u>49,344,720</u>	<u>57,752,339</u>

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

	2021 £	2020 £
UK	36,032,993	42,221,313
Rest of world	<u>13,311,727</u>	<u>15,531,026</u>
	<u>49,344,720</u>	<u>57,752,339</u>

## **Avon Group Manufacturing (Holdings) Limited**

### **Notes to the Financial Statements**

**Year Ended 31 March 2021**

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#### **5 Other gains and losses**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Gain (loss) on disposal of property, plant and equipment	<u>137,836</u>	<u>604,719</u>



**Avon Group Manufacturing (Holdings) Limited****Notes to the Financial Statements****Year Ended 31 March 2021**

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**6 Operating profit**

Arrived at after charging/(crediting)

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation expense	1,863,804	1,735,303
Amortisation expense	399,516	345,320
Research and development cost	129	-
Operating lease expense - plant and machinery	(924)	3,417
Profit on disposal of property, plant and equipment	<u>(137,836)</u>	<u>(604,719)</u>

**7 Other interest receivable and similar income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest income on bank deposits	343	-
Other finance income	<u>72,121</u>	<u>-</u>
	<u>72,464</u>	<u>-</u>

**8 Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and borrowings	57,893	31,055
Interest on obligations under finance leases and hire purchase contracts	183	-
Interest expense on other finance liabilities	<u>12,386</u>	<u>28,283</u>
	<u>70,462</u>	<u>59,338</u>

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## **Avon Group Manufacturing (Holdings) Limited**

### **Notes to the Financial Statements**

**Year Ended 31 March 2021**

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#### **9 Staff costs**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	12,947,730	13,803,296
Social security costs	1,048,013	1,177,886
Pension costs, defined contribution scheme	363,545	430,740
Redundancy costs	-	(38,673)
Recruitment costs	4,050	70,849
Other employee expense	179,871	56,639
	<u>14,543,209</u>	<u>15,500,737</u>

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Production	447	454
Administration and support	136	138
	<u>583</u>	<u>592</u>

#### **10 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Remuneration	577,482	902,987
Contributions paid to money purchase schemes	101,536	149,553
	<u>679,018</u>	<u>1,052,540</u>

#### **11 Auditors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Audit of these financial statements	<u>74,103</u>	<u>79,435</u>

**Avon Group Manufacturing (Holdings) Limited****Notes to the Financial Statements****Year Ended 31 March 2021**

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**12 Corporation tax**

Tax charged/(credited) in the income statement

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax	965,406	1,025,692
UK corporation tax adjustment to prior periods	<u>(127,472)</u>	<u>(59,195)</u>
	<u>837,934</u>	<u>966,497</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	103,298	170,574
Arising from changes in tax rates and laws	<u>(1)</u>	<u>-</u>
Total deferred taxation	<u>103,297</u>	<u>170,574</u>
Tax expense in the income statement	<u>941,231</u>	<u>1,137,071</u>

**Avon Group Manufacturing (Holdings) Limited****Notes to the Financial Statements****Year Ended 31 March 2021**

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**13 Intangible assets****Group**

	<b>Goodwill £</b>	<b>Development costs £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2020	7,202,065	281,042	7,483,107
Additions acquired separately	1,036,675	-	1,036,675
Disposals	9,687	-	9,687
At 31 March 2021	<u>8,248,427</u>	<u>281,042</u>	<u>8,529,469</u>
<b>Amortisation</b>			
At 1 April 2020	1,998,791	281,042	2,279,833
Amortisation charge	399,516	-	399,516
Amortisation eliminated on disposals	9,687	-	9,687
At 31 March 2021	<u>2,407,994</u>	<u>281,042</u>	<u>2,689,036</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>5,840,433</u>	<u>-</u>	<u>5,840,433</u>
At 31 March 2020	<u>5,203,274</u>	<u>-</u>	<u>5,203,274</u>

# Avon Group Manufacturing (Holdings) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 14 Tangible assets

#### Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2020	8,318,342	18,283,495	1,036,862	27,638,699
Additions	906,778	766,148	687,183	2,360,109
Acquired through business combinations	-	433,398	33,414	466,812
Disposals	-	(14,618)	(538,055)	(552,673)
At 31 March 2021	<u>9,225,120</u>	<u>19,468,423</u>	<u>1,219,404</u>	<u>29,912,947</u>
<b>Depreciation</b>				
At 1 April 2020	1,209,183	9,618,065	700,259	11,527,507
Charge for the year	262,484	1,371,930	229,390	1,863,804
Eliminated on disposal	-	(7,411)	(459,103)	(466,514)
At 31 March 2021	<u>1,471,667</u>	<u>10,982,584</u>	<u>470,546</u>	<u>12,924,797</u>
<b>Carrying amount</b>				
At 31 March 2021	<u>7,753,453</u>	<u>8,485,839</u>	<u>748,858</u>	<u>16,988,150</u>
At 31 March 2020	<u>7,109,159</u>	<u>8,665,430</u>	<u>336,603</u>	<u>16,111,192</u>

Included within the net book value of land and buildings above is £7,037,686 (2020 - £6,379,572) in respect of freehold land and buildings, £715,767 (2020 - £729,587) in respect of long leasehold land and buildings and £Nil (2020 - £Nil) in respect of short leasehold land and buildings.

**Avon Group Manufacturing (Holdings) Limited****Notes to the Financial Statements****Year Ended 31 March 2021**

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**Company**

	<b>Furniture, fittings and equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>		
At 1 April 2020	<u>14,834</u>	<u>14,834</u>
At 31 March 2021	<u>14,834</u>	<u>14,834</u>
<b>Depreciation</b>		
At 1 April 2020	11,805	11,805
Charge for the year	<u>3,029</u>	<u>3,029</u>
At 31 March 2021	<u>14,834</u>	<u>14,834</u>
<b>Carrying amount</b>		
At 31 March 2021	<u>-</u>	<u>-</u>
At 31 March 2020	<u>3,029</u>	<u>3,029</u>

**15 Investment properties****Group**

	<b>2021 £</b>
At 1 April	2,506,230
Additions	<u>320,381</u>
At 31 March	<u>2,826,611</u>

The property valuation was carried out by the directors on 31 March 2021.

## Avon Group Manufacturing (Holdings) Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

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#### 16 Investments

##### Group

##### Details of undertakings

Details of the investments in which the group 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	
			2021	2020
Subsidiary undertakings				
Avon Group Manufacturing Limited*	England	Ordinary	100%	100%
P & D Manufacturing Limited*	England	Ordinary	100%	100%
P.P. Injection Moulds and Mouldings Limited*	England	Ordinary	100%	100%
Avon Engineered Rubber Limited*	England	Ordinary	100%	100%
A.E.R. Stafford Limited*	England	Ordinary	100%	100%
Avon TSA Limited*	England	Ordinary	100%	100%
Slatebond Limited*	England	Ordinary	100%	100%
Foam Techniques Limited*	England	Ordinary	100%	100%
Park Hill Property Invest. Limited*	England	Ordinary	100%	100%
The Home of Foam Ltd*	England	Ordinary	100%	100%
Edgewest Plastics (UK) Limited*	England	Ordinary	100%	0%
Scandura Limited*		Ordinary	100%	0%

## Avon Group Manufacturing (Holdings) Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

England

\* indicates direct investment of the company

#### Company

	2021 £	2020 £
Investments in subsidiaries	<u>26,446,820</u>	<u>22,700,167</u>

#### Subsidiaries

£

##### Cost or valuation

At 1 April 2020	22,700,167
Additions	<u>3,746,653</u>
At 31 March 2021	<u>26,446,820</u>

##### Provision

##### Carrying amount

At 31 March 2021	<u>26,446,820</u>
At 31 March 2020	<u>22,700,167</u>

For the year ending 31 March 2021 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

Edgewest Plastics (UK) Limited

Scandura Limited

#### 17 Business combinations

On 1 October 2020, Avon Group Manufacturing (Holdings) Limited (Holding company) acquired 100% of the issued share capital of Edgewest Plastics (UK) Limited (A manufacturing company), obtaining control.

Edgewest Plastics (UK) Limited contributed £4,172,596 revenue and £375,369 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:



# Avon Group Manufacturing (Holdings) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

	Book value 2021 £	Fair value 2021 £
<b>Assets and liabilities acquired</b>		
Financial assets	2,292,216	2,292,216
Stocks	605,416	605,416
Tangible assets	432,910	432,910
Financial liabilities	<u>(1,172,240)</u>	<u>(1,172,240)</u>
Total identifiable assets	2,158,302	2,158,302
	-	-
Total consideration	<u>2,158,302</u>	<u>2,158,302</u>
<b>Satisfied by:</b>		
Cash	2,750,000	2,750,000
Other	<u>530,483</u>	<u>530,483</u>
Total consideration transferred	<u>3,280,483</u>	<u>3,280,483</u>

The useful life of goodwill is 10 years.

On 23 December 2020, Avon Group Manufacturing (Holdings) Limited (Holding company) acquired 100% of the issued share capital of Scandura Limited (A manufacturing company), obtaining control.

Scandura Limited contributed £378,233 revenue and £8,540 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Book value 2021 £	Fair value 2021 £
<b>Assets and liabilities acquired</b>		
Financial assets	839,907	839,907
Stocks	148,283	148,283
Tangible assets	40,481	40,481
Financial liabilities	<u>(482,972)</u>	<u>(482,972)</u>
Total identifiable assets	545,699	545,699
	-	-

# Avon Group Manufacturing (Holdings) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

	Book value 2021 £	Fair value 2021 £
Total consideration	<u>545,699</u>	<u>545,699</u>
<b>Satisfied by:</b>		
Cash	443,121	443,121
Other	<u>23,049</u>	<u>23,049</u>
Total consideration transferred	<u>466,170</u>	<u>466,170</u>

The useful life of goodwill is 10 years.

### 18 Stocks

	Group 2021 £	2020 £	Company 2021 £
Stock	<u>4,961,310</u>	<u>3,740,932</u>	<u>-</u>

### 19 Debtors

		Group 2021 £	2020 £	Company 2021 £
Trade debtors		12,516,050	10,741,123	-
Receivables from related parties		-	-	445,673
Other receivables		1,949,141	80,731	-
Prepayments		1,798,462	813,379	1,399
Deferred tax assets	12	58,427	364	316
Income tax asset	12	<u>326,907</u>	<u>-</u>	<u>267,999</u>
Total current trade and other receivables		<u>16,648,987</u>	<u>11,635,597</u>	<u>715,387</u>

**Avon Group Manufacturing (Holdings) Limited****Notes to the Financial Statements****Year Ended 31 March 2021****20 Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash on hand	3,403	2,874	-	-
Cash at bank	1,290,274	918,363	-	195,010
Other cash and cash equivalents	170	-	-	-
	<u>1,293,847</u>	<u>921,237</u>	<u>-</u>	<u>195,010</u>
Bank overdrafts	<u>(1,374,473)</u>	<u>-</u>	<u>(1,374,473)</u>	<u>-</u>
Cash and cash equivalents in statement of cash flows	<u>(80,626)</u>	<u>921,237</u>	<u>(1,374,473)</u>	<u>195,010</u>

**21 Pension and other schemes****Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £363,545 (2020 - £430,740).

Contributions totalling £6,067 (2020 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

# Avon Group Manufacturing (Holdings) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 22 Creditors

		Group		Company	
	Note	2021 £	2020 £	2021 £	2020 £
<b>Due within one year</b>					
Loans and borrowings	23	1,744,473	-	1,744,473	-
Trade creditors		8,645,905	7,795,166	3,422	9,000
Amounts due to related parties		-	-	22,347,958	20,792,048
Social security and other taxes		2,558,971	1,595,362	58,259	19,439
Outstanding defined contribution pension costs		6,067	-	-	-
Other payables		8,170,490	8,034,939	900,000	-
Accrued expenses		1,645,353	1,816,302	7,410	3,938
Income tax liability	12	1,404,622	592,300	-	14,700
		<u>24,175,881</u>	<u>19,834,069</u>	<u>25,061,522</u>	<u>20,839,125</u>

### Due after one year

Loans and borrowings	23	<u>1,295,000</u>	<u>-</u>	<u>1,295,000</u>	<u>-</u>
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Included in other payable is £7,079,431 (2020 - £7,861,291) relating to a confidential invoice discounting agreement with Barclays Bank Plc, this balance is secured on the trade debts of the company.

### 23 Loans and borrowings

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
<b>Non-current loans and borrowings</b>				
Bank borrowings	<u>1,295,000</u>	<u>-</u>	<u>1,295,000</u>	<u>-</u>

**Avon Group Manufacturing (Holdings) Limited****Notes to the Financial Statements****Year Ended 31 March 2021**

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	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>				
Bank borrowings	370,000	-	370,000	-
Bank overdrafts	<u>1,374,473</u>	<u>-</u>	<u>1,374,473</u>	<u>-</u>
	<u>1,744,473</u>	<u>-</u>	<u>1,744,473</u>	<u>-</u>

**24 Share capital****Allotted, called up and fully paid shares**

	<b>2021</b>		<b>2020</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

**25 Parent and ultimate parent undertaking**

The ultimate controlling party is Mr M A Rushin.